See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

Form **990-EZ**

Department of the Treasury
Internal Revenue Service

Short Form
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)

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990 All other organizations with gross receipts less than $500,000 and total assets less than $1 250,000 at the end of the year may use this form

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

OMB No 1545-1150

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning , 2009, and ending , 20

B Check if applicable
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization, number and street, city, town, state, and ZIP code

HEARTS & HORSES INC

P O BOX 2675
Loveland CO 80538

D Employer identification number: 84-1387873

E Telephone number: 970-482-1028

F Group Exemption Number ▶

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

G Accounting method [ ] Cash [X] Accrual
Other (specify) ▶

I Website: ▶

J Tax-exempt status (check only one) - [X] 501(c)(3) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

H Check ▶ [ ] if the organization is not required to attach Sch B (Form 990, 990-EZ or 990-PF)

K Check ▶ [ ] if the organization is not a section 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

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts, if $500,000 or more, file Form 990 instead of Form 990-EZ ▶ $ 394,135.

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

Revenue	1	Contributions, gifts, grants, and similar amounts received	1	164,230.
	2	Program service revenue including government fees and contracts	2	132,106.
	3	Membership dues and assessments	3	
	4	Investment income	4	5,187.
	5a	Gross amount from sale of assets other than inventory — 5a		
	5b	Less cost or other basis and sales expenses — 5b		
	5c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
	6	Special events and activities (complete applicable parts of Schedule G) If any amount is from gaming, check here ▶ [ ]		
	6a	Gross revenue (not including $ _____ of contributions reported on line 1) — 6a 92,592.		
	6b	Less direct expenses other than fundraising expenses — 6b		
	6c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c	92,592.
	7a	Gross sales of inventory, less returns and allowances — 7a		
	7b	Less cost of goods sold — 7b		
	7c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	
	8	Other revenue (describe ▶)	8	20.
	9	**Total revenue** Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8 ▶	9	394,135.
Expenses	10	Grants and similar amounts paid (attach schedule)	10	4,595.
	11	Benefits paid to or for members	11	
	12	Salaries, other compensation, and employee benefits	12	205,820.
	13	Professional fees and other payments to independent contractors	13	3,124.
	14	Occupancy, rent, utilities, and maintenance	14	18,650.
	15	Printing, publications, postage, and shipping	15	5,428.
	16	Other expenses (describe ▶ SEE STMT)	16	166,270.
	17	**Total expenses.** Add lines 10 through 16 ▶	17	403,887.
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18	(9,752.)
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	850,004.
	20	Other changes in net assets or fund balances (attach explanation)	20	(5,847.)
	21	Net assets or fund balances at end of year Combine lines 18 through 20 ▶	21	834,405.

Part II Balance Sheets. If Total assets on line 25, column (B) are $1,250,000 or more, file Form 990 instead of Form 990-EZ

(See the instructions for Part II)

		(A) Beginning of year		(B) End of year
22	Cash, savings, and investments	41,850.	22	66,360.
23	Land and buildings		23	
24	Other assets (describe ▶ SEE STMT)	856,201.	24	841,537.
25	Total assets	898,051.	25	907,897.
26	Total liabilities (describe ▶ SEE STMT)	48,047.	26	73,492.
27	Net assets or fund balances (line 27 of column (B) must agree with line 21)	850,004.	27	834,405.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form **990-EZ** (2009)

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

What is the organization's primary exempt purpose? EQUINE THERAPY FOR THE DISABLED

Describe what was achieved in carrying out the organization's exempt purposes In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title

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

28 PROVIDED EQUINE ORIENTED THERAPY TO MENTALLY IMPAIRED COMMUNITY THROUGHOUT NORTHERN COLORADO

(Grants $) If this amount includes foreign grants, check here ▶ ☐ 28a 328,192.

29

(Grants $) If this amount includes foreign grants, check here ▶ ☐ 29a

30

(Grants $) If this amount includes foreign grants, check here ▶ ☐ 30a

31 Other program services (attach schedule)

(Grants $) If this amount includes foreign grants, check here ▶ ☐ 31a

32 **Total program service expenses** (add lines 28a through 31a) ▶ 32 328,192.

Part IV List of Officers, Directors, Trustees, and Key Employees. List each one even if not compensated (See instructions for Part IV)

(a) Name and address	(b) Title & average hours per week devoted to position	(c) Compensation (If not paid, enter -0-.)	(d) Contributions to employee benefit plans & deferred comp	(e) Expense account and other allowances
BOB HUFF 6444 JORDA LOVELAND CO 80537	VICE PRES 5	0		
LAURIE GOODRICH 1075 STOVE Bellvue CO 80512	DIRECTOR 5	0		
GINGER DODGE 2318 EAGLE Loveland CO 80537	SECRETARY 5	0		
ALAN FLUHARTY 3500 CARLT Fort Colli CO 80525	TREASURER 10	0		
TODD NEIBERGER 8404 SCR 3 FORT COLLI CO 80528	PRESIDENT 15	0		
BOB HUFF 6444 JORDA Loveland CO 80537	VICE PRES 5	0		
STACIE LOBUE 2539 ELLIS Loveland CO 80537	DIRECTOR 5	0		
DELRENE MCMULLIN PO BOX 152 Loveland CO 80539	DIRECTOR 5	0		

Part V Other Information (Note the statement requirements in the instructions for Part V)

			Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	33		X
34	Were any changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the changes	34		X
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T			
a	Did the organization have unrelated business gross income of $1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements?	35a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	35b		
36	Did the organization undergo a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," complete applicable parts of Schedule N	36		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions ▶ 37a 0			
b	Did the organization file Form 1120-POL for this year?	37b		
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the period covered by this return?	38a		X
b	If "Yes," complete Schedule L, Part II and enter the total amount involved 38b			
39	Section 501(c)(7) organizations Enter			
a	Initiation fees and capital contributions included on line 9 39a			
b	Gross receipts, included on line 9, for public use of club facilities 39b			
40a	Section 501(c)(3) organizations Enter amount of tax imposed on the organization during the year under section 4911 ▶ _____, section 4912 ▶ _____, section 4955 ▶ _____			
b	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b		X
c	Section 501(c)(3) and 501(c)(4) organizations Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ _____			
d	Section 501(c)(3) and 501(c)(4) organizations Enter amount of tax on line 40c reimbursed by the organization ▶ _____			
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T	40e		X
41	List the states with which a copy of this return is filed ▶			
42a	The organization's books are in care of ▶ HEARTS AND HORSES INC Telephone no ▶ 970-663-4200			
	Located at ▶ 163 S COUNTY RD CO Loveland ZIP + 4 ▶ 80537			
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)?	42b		X
	If "Yes," enter the name of the foreign country ▶ _____			
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts.			
c	At any time during the calendar year, did the organization maintain an office outside of the U S ?	42c		X
	If "Yes," enter the name of the foreign country ▶ _____			
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 - Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43			

			Yes	No
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ	44		X
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ	45		X

Part VI **Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only.** All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46 - 49b and complete the tables for lines 50 and 51

			Yes	No
46	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	46		X
47	Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	47		X
48	Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48		X
49a	Did the organization make any transfers to an exempt non-charitable related organization?	49a		X
b	If "Yes," was the related organization a section 527 organization?	49b		

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than $100,000 of compensation from the organization If there is none, enter "None "

(a) Name and address of each employee paid more than $100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				

f Total number of other employees paid over $100,000 ▶

51 Complete this table for the organization's five highest compensated independent contractors who each received more than $100,000 of compensation from the organization If there is none, enter "None "

(a) Name and address of each independent contractor paid more than $100,000	(b) Type of service	(c) Compensation
NONE		

d Total number of other independent contractors each receiving over $100,000 ▶

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

Sign Here

▶ Signature of officer — Date: 8-11-10

▶ TODD NEIBERGER PRESIDENT
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ SHELLY L WAGAR CPA	Date 08/06/2010	Check if self-employed ▶ ☐	Preparer's identifying no (See instr) P00234124	
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ SHELLY L WAGAR CPA OC 232 ELDER DRIVE LOVELAND CO 80538-			EIN ▶20-8189030 Phone no ▶970-203-1040	

May the IRS discuss this return with the preparer shown above? See instructions ▶ [X] Yes [ ] No

Form **990-EZ** (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organizations or a section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
HEARTS & HORSES INC

Employer identification number
84-1387873

Part I Reason for Public Charity Status (All organizations must complete this part) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches described section 170(b)(1)(A)(i).

2 ☐ A school described in section 170(b)(1)(A)(ii) (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described section 170(b)(1)(A)(iii)

4 ☐ A medical research organization operated in conjunction with a hospital described section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described section 170(b)(1)(A)(iv). (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described section 170(b)(1)(A)(v).

7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi) (Complete Part II)

8 ☐ A community trust described in section 170(b)(1)(A)(vi) (Complete Part II)

9 ☐ 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 exempt 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). (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See section 509(a)(4).

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 11g(i)		
(ii) A family member of a person described in (i) above? 11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	291286.	311629.	369702.	95877.	164230.	1232724.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total** Add lines 1 through 3	291286.	311629.	369702.	95877.	164230.	1232724.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support** Subtract line 5 from line 4						1232724.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	291286.	311629.	369702.	95877.	164230.	1232724.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support.** Add lines 7 through 10						1232724.

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14	Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	100.00 %
15	Public support percentage from 2008 Schedule A, Part II, line 14	15	100.00 %

16a **33 1/3% support test - 2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here** The organization qualifies as a publicly supported organization . . . . . ▶ ☒

b **33 1/3% support test - 2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10% facts-and-circumstances test - 2009** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10% facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation** If the organization did not check a box in line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a

▶ Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
HEARTS & HORSES INC

Employer identification number
84-1387873

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? . . . . ☐ Yes ☒ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fund-raiser have custody or control of contributions? Yes	No	(iv) Gross receipts from activity	(V) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
Total . . . . . ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II **Fundraising Events** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a List events with gross receipts greater than $5,000

		(a) Event #1 TACK SALES (event type)	(b) Event #2 GALA (event type)	(c) Other Events 4 (total number)	(d) Total Events (Add col (a) through col (c)
Revenue	1 Gross receipts	5,426.	44,205.	42,961.	92,592.
	2 Less (Charitable contributions)				
	3 Gross revenue (line 1 minus line 2)	5,426.	44,205.	42,961.	92,592.
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	184.	11,862.	8,270.	20,316.
	10 Direct expense summary Add lines 4 through 9 in column (d)			▶	20,316.
	11 Net income summary Combine lines 3 and 10 in column (d)			▶	72,276.

Part III **Gaming** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ line 6a

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	Yes 0.0% No	Yes 0.0% No	Yes 0.0 % No	
	7 Direct expense summary Add lines 2 through 5 in column (d)			▶	
	8 Net gaming income summary Combine lines 1 and 7 in column (d)			▶	

		Yes	No
9	Enter the state(s) in which the organization operates gaming activities		
a	Is the organization licensed to operate gaming activities in each of these states?	9a	
b	If "No," Explain		
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b	If "Yes," Explain		
11	Does the organization operate gaming activities with nonmembers?	11	
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

	Yes	No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a	0.00 %
b An outside facility	13b	0.00 %

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? 15a X

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ $ _____

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? 17a

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

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

OMB No 1545-0172

2009

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
HEARTS & HORSES INC	FORM 990	84-1387873

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	250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000.
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 2008 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	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 2010 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 depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	768.
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 2009	17	19,192.
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 2009 Tax Year Using the General Depreciation System

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depr (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		768.	7	HY	200 DB	110.
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	
				27 5 yrs	MM	S/L	
i	Nonresidential real property			39 yrs	MM	S/L	
		01/2009	305,419.	30.0	MM	S/L	10,025.

Section C-Assets Placed in Service During 2009 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	30,095.
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	

84-1387873

2009 ASSET DETAIL REPORT

Description	Date Acqd	Cost	Bus. Use	179+ Spec.	Basis	Method	Rec. Per	Cv	Prior Depr.	Current Depr.	Next Year	Prior AMT	Current AMT	Gain/ Price	Sales Price	Date Sold
Form: FORM 990																
Rental Property: N/A																
Depreciation Class: N/A																
In Service Year: 1998																
TACK	07/98	658	100		658	SL	7.0	HY	658			658				
IMPROVEMENT	07/98	14470	100		14470	SL	30.0	HY	4464	482	482	4464	482			
		15128			15128				5122	482	482	5122	482			
In Service Year: 1999																
IMPROVEMENT	07/99	45473	100		45473	SL	30.0	HY	14021	1516	1516	14021	1516			
IMPROVEMENT	07/99	14469	100		14469	SL	30.0	HY	4461	482	482	4461	482			
IMPROVEMENT	07/99	10335	100		10335	SL	30.0	HY	3186	344	344	3186	344			
IMPROVEMENT	07/99	5167	100		5167	SL	30.0	HY	1593	172	172	1593	172			
IMPROVEMENT	07/99	1033	100		1033	SL	30.0	HY	318	34	34	318	34			
IMPROVEMENT	07/99	6200	100		6200	SL	30.0	HY	1912	207	207	1912	207			
IMPROVEMENT	07/99	4134	100		4134	SL	30.0	HY	1275	138	138	1275	138			
IMPROVEMENT	07/99	2067	100		2067	SL	30.0	HY	637	69	69	637	69			
		88878			88878				27403	2962	2962	27403	2962			
In Service Year: 2001																
4 HORSES	07/01	7000	100		7000	SL	7.0	HY	7000			7000				
MANURE SPREA	07/01	900	100		900	SL	7.0	HY	900			900				
RIDING LAWN	07/01	1500	100		1500	SL	7.0	HY	1500			1500				
TRUCK	07/01	4500	100		4500	SL	7.0	HY	4500			4500				
TACK	07/01	766	100		766	SL	7.0	HY	766			766				
IMPROVEMENT	07/01	1501	100		1501	SL	30.0	HY	388	50	50	388	50			

2009 ASSET DETAIL REPORT

Description	Date Acqd	Cost	Bus. Use	179+ Spec.	Basis	Method	Rec. Per.	Cv	Prior Depr.	Current Depr.	Next Year	Prior AMT	Current AMT	Gain/ Price	Sales Price	Date Sold
IMPROVEMENT	07/01	4718	100		4718	SL	30.0	HY	1219	157	157	1219	157			
IMPROVEMENT	07/01	1502	100		1502	SL	30.0	HY	387	50	50	387	50			
ARENA	01/01	25536	100		25536	SL	30.0	HY	5958	851	851	5958	851			
IMPROVEMENT	07/01	1072	100		1072	SL	30.0	HY	276	36	36	276	36			
IMPROVEMENT	07/01	536	100		536	SL	30.0	HY	138	18	18	138	18			
IMPROVEMENT	07/01	107	100		107	SL	30.0	HY	28	4	4	28	4			
IMPROVEMENT	07/01	643	100		643	SL	30.0	HY	166	21	21	166	21			
IMPROVEMENT	07/01	429	100		429	SL	30.0	HY	111	14	14	111	14			
IMPROVEMENT	07/01	214	100		214	SL	30.0	HY	55	7	7	55	7			
FENCE	07/01	9266	100		9266	SL	30.0	HY	2317	309	309	2317	309			
		60190			60190				25709	1517	1517	25709	1517			
In Service Year: 2002																
SADDLE ETC	12/02	260	100		260	SL	7.0	HY	226	19		226	19			
MAIN HOUSE	07/02	82893	100		82893	SL	30.0	HY	19342	2763	2763	19342	2763			
COTTAGE	01/02	25536	100		25536	SL	30.0	HY	5958	851	851	5958	851			
ARENA	01/02	18240	100		18240	SL	30.0	HY	4256	608	608	4256	608			
9 MINI STALL	01/02	7296	100		7296	SL	30.0	HY	1702	243	243	1702	243			
HAY BARN	01/02	1824	100		1824	SL	30.0	HY	426	61	61	426	61			
OFFICE	01/02	10944	100		10944	SL	30.0	HY	2554	365	365	2554	365			
STONE BARN	01/02	7296	100		7296	SL	30.0	HY	1702	243	243	1702	243			
LOAFING SHED	01/02	3648	100		3648	SL	30.0	HY	852	122	122	852	122			
		157937			157937				37018	5275	5256	37018	5275			
In Service Year: 2003																
IMPROVEMENT	07/03	36726	100		36726	SL	30.0	HY	4888	1224	1224	4888	1224			

84-1387873

2009 ASSET DETAIL REPORT

Description	Date Acqd	Cost	Bus. Use	179+ Spec.	Basis	Method	Rec. Per.	Cv	Prior Depr.	Current Depr.	Next Year	Prior AMT	Current AMT	Gain/ Price	Sales Price	Date Sold
In Service Year:	**2004**															
IMPROVEMENT	12/04	123326	100		123326	SL	30.0	HY	16443	4110	4110	16443	4110			
In Service Year:	**2005**															
ARENA	12/05	51655	100		51655	SL	30.0	HY	1722	1722	1722	1722	1722			
In Service Year:	**2008**															
LOAF SHED/TA	10/08	2699	100		2699	SL	30.0	MM	19	90	90	19	90			
MODULAR	07/08	100	100		100	SL	30.0	MM	2	3	3	2	3			
FJORD	06/08	1100	100		550	SL	7.0	HY	589	79	79	589	79			
COMPUTERS	01/08	9609	100		4804	MACRS	5.0	HY	5766	1537	922	5766	1537			
LAPTOP/PRINT	09/08	1092	100		546	MACRS	5.0	HY	655	175	105	655	175			
BAREBACK PAD	09/08	225	100		112	SL	7.0	HY	121	16	16	121	16			
		14825			8811				7152	1900	1215	7152	1900			
In Service Year:	**2009**															
ARENA	01/09	293173	100		293173	MACRS	30.0	MM		9668	9771		9364			
NEW ROOF-HOU	02/09	12246	100		12246	MACRS	30.0	MM		357	408		357			
HANDICAP RAM	11/09	1536	100	768	768	MACRS	7.0	HY		110	188		878			
		306955		768	306187					10135	10367		10599			
Form Totals:		855620		768	848838				125457	29327	28855	125457	29791			

Form **8868**
(Rev April 2009)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

► File a separate application for each return.

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . ► [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

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

Part I Automatic 3-Month Extension of Time.

Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . ► [ ]
All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868 For more details on the electronic filing of this form, visit www irs gov/efile and click on e-file for Charities & Nonprofits

Type or print File by the due date for filing your return See instructions	Name of Exempt Organization	Employer identification number
	HEARTS & HORSES INC	84-1387873
	Number, street, and room or suite no If a P O box, see instructions P O BOX 2675	
	City, town or post office, state, and ZIP code For a foreign address, see instructions Loveland CO 80538	

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

[ ] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (sec 401(a) or 408(a) trust)	[ ] Form 5227
[X] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[ ] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ► HEARTS AND HORSES INC
  Telephone No ► 970-663-4200 FAX No ►
- If the organization does not have an office or place of business in the United States, check this box . . . . ► [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ► [ ] If it is for part of the group, check this box ► [ ] and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUG 15 , 20 10 , to file the exempt organization return for the organization named above The extension is for the organization's return for
► [X] calendar year 2009 or
► [ ] tax year beginning _____ , 20 ____ , and ending _____ , 20 ____

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	$
c **Balance Due.** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Privacy Act and Paperwork Reduction Act Notice, see Instructions. Form **8868** (Rev 4-2009)

Detail Sheet 2009

Name: HEARTS & HORSES INC ID: 84-1387873

Description:

Type	Amount
REPAIRS/MAINTENANCE	4,735.
UTILITIES	13,915.
Total	18,650.

 USWDETS1

Detail Sheet 2009

Name: HEARTS & HORSES INC ID: 84-1387873

Description:

Type	Amount
PRINTING	3,185.
POSTAGE AND SHIPPING	2,243.
Total	5,428.

Detail Sheet 2009

Name: HEARTS & HORSES INC ID 84-1387873

Description:

Type	Amount
BALANCING ENTRY TO CORRECT PRIOR YEAR BALANCES	(5,847.)
Total	(5,847.)

 USWDET$1

US 990 **Other Assets** **2009**

Description	Beginning of year book value	End of year book value	FMV
RANCH	564,076.	554,114.	
HORSES	729.	729.	
EQUIPMENT	4,296.	2,604.	
TACK	138.	281.	
CONSTRUCTION IN PROGRESS	280,625.		
ARENA		283,809.	
	849,864.	841,537.	

US 990 **Other Liabilities** 2009

Description	Beginning of year book amount	End of year book amount
ACCRUED PAYROLL AND TAXES	5,037.	7,687.
ACCOUNTS PAYABLE		3,294.
ACCRUED PROPERTY TAXES	1,200.	1,232.
MORTGAGE PAYABLE CURRENT		2,305.
DEFERRED REVENUE		3,949.
MORTGAGE PAYABLE LONG TERM		55,025.
	6,237.	73,492.

US 990 Other Expenses 2009

Description	Expenses per books	Net investment income	Adjusted net income	Charitable purposes
DEPRECIATION	30,095.			
PAYROLL TAXES	19,838.			
INSURANCE	18,457.			
TRAINING	11,626.			
MISCELLANEOUS	10,974.			
SUPPLIES	10,729.			
TELEPHONE	8,024.			
LICENSE AND FEES	4,316.			
ADVERTISING	3,554.			
BAD DEBT	2,050.			
TAXES	553.			
SCHOLARSHIP	1,740.			
DONOR RECOGNITION	1,181.			
HORSE CARE	43,133.			
	166,270.			

US 990 Main Information Sheet 2009

For calendar year 2009 or tax year beginning _____ and ending _____

Name HEARTS & HORSES INC
Name line 2
Address P O BOX 2675
City, State, and Zip Code Loveland CO 80538

EIN 84-1387873
Telephone No 970-482-1028

Email address
Web site address
Fiduciary name, if applicable
Name of officer signing return TODD NEIBERGER
Title of officer/trustee/fiduciary signing return PRESIDENT
Group exemption number
Check if exemption application is pending ☐
Accounting method Cash ☐ Accrual ☒ Other ☐ Specify
List states desired

Type of exempt organization:

☐ Organization exempt under section 501(c), 527 or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) (Form 990)
☒ Organization exempt under section 501(c), 527 or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) with gross receipts less than $1,000,000 and total assets less than $2,500,000 at the end of the year (Form 990-EZ)
☐ Private foundation or section 4947(a)(1) nonexempt charitable trust treated as a private foundation (Form 990-PF)
☐ Exempt organization with unrelated business income (Form 990-T)

Preparer ID
Preparer name SHELLY L WAGAR CPA
Preparer SSN
Firm's name SHELLY L WAGAR CPA OC
Address 232 ELDER DRIVE
City, State, ZIP Code LOVELAND CO 80538-

Time in this return 571 minutes
Date 08/06/2010
PTIN P00234124
Self-employed ☐
Firm's EIN 20-8189030
Phone 970-203-1040

Preparer notes These notes will print and proforma

Preparer's use fields

1 _____ 2 _____ 3 _____
4 _____ 5 _____ 6 _____

 US990MI1