

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)

Department of the Treasury
Internal Revenue Service

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

A For the 2007 calendar year, or tax year beginning and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Termination
 Amended return
 Application pending

C Name of organization
CHALLENGE UNLIMITED, INC.
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
450 LOWELL ST.
 City or town, state or country, and ZIP + 4
ANDOVER, MA 01810

D Employer identification number
22-2478997

E Telephone number
978-475-4056

F Accounting method: Cash Accrual
 Other (specify) ▶

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

G Website: ▶ **WWW.CHALLENGEUNLIMITED.ORG**

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

K 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.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **1,097,238.**

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 ▶ **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶ **N/A**
M Check ▶ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue		Expenses		Net Assets	
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	380,047.		
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 \$ 360,465. noncash \$ 19,582.)	1e		380,047.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		572,776.	
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4		180.	
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	16,001.	8a	(B) Other
b	Less: cost or other basis and sales expenses	16,258.	8b	1,520.	
c	Gain or (loss) (attach schedule)	-257.	8c	422.	
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	STMT 1		STMT 2	8d
9	Special events and activities (attach schedule). If any amount is from gaming, check here ▶ <input type="checkbox"/>				
a	Gross revenue (not including \$ 224,844. of contributions reported on line 1b)	9a	126,714.		
b	Less: direct expenses other than fundraising expenses	9b	91,558.		
c	Net income or (loss) from special events. Subtract line 9b from line 9a	SEE STATEMENT 3		9c	35,156.
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less: cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		988,324.	
13	Program services (from line 44, column (B))	13		778,454.	
14	Management and general (from line 44, column (C))	14		86,705.	
15	Fundraising (from line 44, column (D))	15		104,093.	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses. Add lines 16 and 44, column (A)	17		969,252.	
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		19,072.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,761,450.	
20	Other changes in net assets or fund balances (attach explanation)	20		0.	
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		1,780,522.	

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.

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	34,480.	888.	9,522.	24,070.
25b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
25c 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)				
26 Salaries and wages of employees not included on lines 25a, b, and c	395,739.	319,159.	32,108.	44,472.
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27	38,422.	31,667.	3,631.	3,124.
29 Payroll taxes	40,118.	29,877.	3,880.	6,361.
30 Professional fundraising fees	2,240.			2,240.
31 Accounting fees	6,400.		6,400.	
32 Legal fees				
33 Supplies				
34 Telephone	5,849.	5,849.		
35 Postage and shipping				
36 Occupancy				
37 Equipment rental and maintenance	8,805.	5,010.	995.	2,800.
38 Printing and publications				
39 Travel				
40 Conferences, conventions, and meetings				
41 Interest	120,754.	120,754.		
42 Depreciation, depletion, etc. (attach schedule)	68,899.	61,907.	6,992.	
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 4	247,546.	203,343.	23,177.	21,026.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	969,252.	778,454.	86,705.	104,093.

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 \$ N/A; (ii) the amount allocated to Program services \$ N/A;

(iii) the amount allocated to Management and general \$ N/A; and (iv) the amount allocated to Fundraising \$ N/A

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? ►		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
PHYSICAL & OTHER THERAPY SERVICES		
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.)		
a	PROVIDE EFFECTIVE THERAPY FOR INDIVIDUALS WITH PHYSICAL, COGNITIVE & EMOTIONAL DISABILITIES	778,454.
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>		
b		
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>		
c		
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>		
d		
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>		
e	Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>		
f	Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	778,454.

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	104,943.	81,923.
	46 Savings and temporary cash investments		
	47 a Accounts receivable	34,837.	
	b Less: allowance for doubtful accounts	22,000.	12,837.
	48 a Pledges receivable	79,125.	
	b Less: allowance for doubtful accounts		79,125.
	49 Grants receivable		
	50 a Receivables from current and former officers, directors, trustees, and key employees		
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		
	51 a Other notes and loans receivable		
	b Less: allowance for doubtful accounts		
	52 Inventories for sale or use		
	53 Prepaid expenses and deferred charges	4,183.	4,117.
	54 a Investments - publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	
	b Investments - other securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	
	55 a Investments - land, buildings, and equipment: basis		
b Less: accumulated depreciation			
56 Investments - other	SEE STATEMENT 5 1,080.	6,035.	
57 a Land, buildings, and equipment: basis	57a 3,999,043.		
b Less: accumulated depreciation	57b 388,577.	3,610,466.	
58 Other assets, including program-related investments (describe ► SEE STATEMENT 7)	615,036.	14,542.	
59 Total assets (must equal line 74). Add lines 45 through 58	3,764,626.	3,809,045.	
Liabilities	60 Accounts payable and accrued expenses	239,055.	212,759.
	61 Grants payable		
	62 Deferred revenue	38,666.	62,831.
	63 Loans from officers, directors, trustees, and key employees		
	64 a Tax-exempt bond liabilities		
	b Mortgages and other notes payable	STMT 8 1,664,366.	1,631,914.
	65 Other liabilities (describe ► LINE OF CREDIT)	61,089.	121,019.
	66 Total liabilities. Add lines 60 through 65	2,003,176.	2,028,523.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	1,667,441.	1,598,617.
	68 Temporarily restricted	94,009.	181,905.
	69 Permanently restricted		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
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)	1,761,450.	1,780,522.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	3,764,626.	3,809,045.	

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? 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.)		X
82b	N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	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
84b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85c	Dues, assessments, and similar amounts from members		
85d	Section 162(e) lobbying and political expenditures		
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85h	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?		
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		
86a	N/A		
86b	Gross receipts, included on line 12, for public use of club facilities		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
87a	N/A		
87b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
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		X
88b	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		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0.; section 4912 0.; section 4955 0.		
89b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
89c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
89d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
89e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89g	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? N/A		
90 a	List the states with which a copy of this return is filed MA		
90b	Number of employees employed in the pay period that includes March 12, 2007		17
91 a	The books are in care of MARY E. O'BRIEN, EXECUTIVE DIRECTOR Telephone no. 978-475-4056 Located at 450 LOWELL ST., ANDOVER, MA ZIP + 4 01810		
91b	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 N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		X

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
 If "Yes," enter the name of the foreign country N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year 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) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a INSTRUCTION REVENUE					536,776.
b MANAGEMENT FEES					36,000.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	180.	
96 Dividends and 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 personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			01	165.	
101 Net income or (loss) from special events					35,156.
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))		0.		345.	607,932.
105 Total (add line 104, columns (B), (D), and (E))					608,277.

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).
93A	RIDING LESSONS PROVIDED TO HANDICAPPED CHILDREN AND MENTALLY AND
93A	PHYSICALLY HANDICAPPED ADULTS.
93B	MANAGEMENT SERVICES PROVIDED TO IRONSTONE THERAPY
101	FUNDRAISING TO SUPPORT PROGRAM SERVICES

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 No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

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

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). **N/A**

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

	(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

	(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

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

Please Sign Here	Signature of officer _____ Date _____ MARY E O'BRIEN, EXECUTIVE DIRECTOR Type or print name and title												
Paid Preparer's Use Only	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Preparer's signature RAYMOND L. ANTISS, JR.</td> <td style="width: 10%;">Date 11/05/08</td> <td style="width: 10%;">Check if self-employed <input type="checkbox"/></td> <td style="width: 40%;">Preparer's SSN or PTIN (See Gen. Inst. X)</td> </tr> <tr> <td colspan="3">Firm's name (or yours if self-employed), address, and ZIP + 4 ANTISS & CO., P.C. 21 GEORGE STREET LOWELL, MA 01852</td> <td>EIN ▶ _____</td> </tr> <tr> <td colspan="3"></td> <td>Phone no. ▶ (978) 452-2500</td> </tr> </table>	Preparer's signature RAYMOND L. ANTISS, JR.	Date 11/05/08	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X)	Firm's name (or yours if self-employed), address, and ZIP + 4 ANTISS & CO., P.C. 21 GEORGE STREET LOWELL, MA 01852			EIN ▶ _____				Phone no. ▶ (978) 452-2500
Preparer's signature RAYMOND L. ANTISS, JR.	Date 11/05/08	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X)										
Firm's name (or yours if self-employed), address, and ZIP + 4 ANTISS & CO., P.C. 21 GEORGE STREET LOWELL, MA 01852			EIN ▶ _____										
			Phone no. ▶ (978) 452-2500										

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 CHALLENGE UNLIMITED, INC.	Employer identification number 22 2478997
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the 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 & 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 page 2 of the 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 page 2 of the 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

Part III Statements About Activities (See page 2 of the 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 ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) 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.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?	2a	X
b	Lending of money or other extension of credit?	2b	X
c	Furnishing of goods, services, or facilities?	2c	X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	2d	X
e	Transfer of any part of its income or assets?	2e	X
3 a	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
4 a	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		0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		0.
f	Enter the total number of separate funds or accounts owned at the end of the 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 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 pages 4 through 8 of the 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 page 8 of the 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					►

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

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.)	739,262.	159,281.	232,333.	62,867.	1,193,743.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	472,846.	669,923.	556,480.	640,720.	2,339,969.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	2,133.	2,815.	1,817.	420.	7,185.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	7,000.		SEE STATEMENT 11		7,000.
23 Total of lines 15 through 22	1,221,241.	832,019.	790,630.	704,007.	3,547,897.
24 Line 23 minus line 17	748,395.	162,096.	234,150.	63,287.	1,207,928.
25 Enter 1% of line 23	12,212.	8,320.	7,906.	7,040.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 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 N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c N/A
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2006) 122,975. (2005) 39,143. (2004) 16,250. (2003) 3,000.					
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) 175,516. (2005) 138,247. (2004) 140,333. (2003) 78,083.					
c Add: Amounts from column (e) for lines: 15 1,193,743. 16 _____ 17 2,339,969. 20 _____ 21 _____					27c 3,533,712.
d Add: Line 27a total 181,368. and line 27b total 532,179.					27d 713,547.
e Public support (line 27c total minus line 27d total)					27e 2,820,165.
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f 3,547,897.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 79.4884%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h .2025%

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.

NONE

Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	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.)			

34 a	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 page 11 of the instructions.) **N/A**
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
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	41	
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 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities (For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.) **N/A**

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h .)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h .)			0.

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

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2007

Name of organization

CHALLENGE UNLIMITED, INC.

Employer identification number

22-2478997

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

Name of organization

Employer identification number

CHALLENGE UNLIMITED, INC.

22-2478997

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	HEARTSCREEN AMERICA 300 BALLARDVALE STREET #210 ANDOVER, MA 01810	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	DEMOULAS FOUNDATION 286 CHELMSFORD STREET CHELMSFORD, MA 01824	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	ROGERS FAMILY FOUNDATION 29 WATER STREET, SUITE 214B NEWBURYPORT, MA 01950	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	EDWARD B. STEVENS 575 OSGOOD STREET N. ANDOVER, MA 01845	\$ 47,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	NECC CORP 10 STATE STREET WOBURN, MA 01801	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	GABLE FAMILY FOUNDATION 35 SUNSET ROCK ROAD ANDOVER, MA 01810	\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization CHALLENGE UNLIMITED, INC.	Employer identification number 22-2478997
--	---

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	MCKESSON CORPORATION ONE POST STREET SAN FRANCISCO, CA 94104	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	ESSEX COUNTY COMMUNITY FOUNDATION 15 CHERRY STREET DANVERS, MA 01923	\$ 7,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	ATLANTIC RETAIL PROPERTIES 67 BATTERYMARCH STREET BOSTON, MA 02210	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	MARY BRAUDES 19 MEADOW CREEK DRIVE DRACUT, MA 01826	\$ 5,150.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	BOSTON RED SOX FOUNDATION 4 YAWKEY WAY BOSTON, MA 02215	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	NANCY ANGELL AND DAVID PIERRE 7 COMANCHE PLACE ANDOVER, MA 01810	\$ 6,900.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization CHALLENGE UNLIMITED, INC.	Employer identification number 22-2478997
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Part II Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
16	STOCK _____ _____ _____	\$ 12,199.	12/24/07
17	SOUND SYSTEM _____ _____ _____	\$ 11,179.	10/16/07
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

2007 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 2

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Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	RIDING EQUIPMENT	112293	SL	5.00	16	2,293.			2,293.	2,293.		0.
2	SADDLES	081294	SL	5.00	16	1,685.			1,685.	1,685.		0.
3	SADDLES	121494	SL	5.00	16	1,228.			1,228.	1,228.		0.
4	SADDLES	120195	SL	5.00	16	1,265.			1,265.	1,265.		0.
5	COMPUTER	010192	SL	10.00	16	2,260.			2,260.	2,260.		0.
6	PHOTO EQUIPMENT	010192	SL	5.00	16	2,210.			2,210.	2,210.		0.
7	FAX MACHINE	120192	SL	10.00	16	500.			500.	500.		0.
8	VIDEO EQUIPMENT	040193	SL	5.00	16	400.			400.	400.		0.
9	PA SYSTEM	070195	SL	5.00	16	520.			520.	520.		0.
10	LEASEHOLD IMPROVEMENTS	063097	SL	15.00	16	21,395.			21,395.	13,557.		1,426.
11	LEASEHOLD IMPROVEMENTS	121598	SL	15.00	16	5,670.			5,670.	3,054.		378.
12	COMPUTER	050197	SL	5.00	16	2,464.			2,464.	2,464.		0.
13	COPIER	090496	SL	7.00	16	5,100.			5,100.	5,100.		0.
14	CONCRETE - PT ARENA	113098	SL	7.00	16	3,203.			3,203.	3,203.		0.
15	PARKING LOT LIGHTING	102299	SL	10.00	16	3,185.			3,185.	2,831.		319.
16	DELPAC	120299	SL	10.00	16	500.			500.	462.		38.
17	PAVEMENT - PARKING LOT	102999	SL	15.00	16	7,000.			7,000.	3,346.		467.
18	HEAT/AIR-OFFICE	020300	SL	39.00	16	1,850.			1,850.	328.		47.

2007 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 2

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Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
19	ELECTRICITY, OFFICE	021200	SL	39.00	16	800.			800.	142.		21.
20	HEAT/AIR, OFFICE	021300	SL	39.00	16	1,850.			1,850.	328.		47.
21	ELECTRICAL WORK	022200	SL	39.00	16	300.			300.	53.		8.
22	HEAT/AIR	042000	SL	39.00	16	1,450.			1,450.	248.		37.
23	HEAT AND AIR, OFFICE	051600	SL	39.00	16	85.			85.	14.		2.
24	OFFICE FROM WALTERS	061300	SL	39.00	16	240.			240.	41.		6.
25	DONATION (PLASTER)	062300	SL	39.00	16	2,300.			2,300.	383.		59.
26	OFFICE IMPROVEMENT	063000	SL	39.00	16	1,187.			1,187.	198.		30.
27	OFFICE IMPROVEMENT	070800	SL	39.00	16	400.			400.	67.		10.
28	OFFICE	071800	SL	39.00	16	618.			618.	102.		16.
29	BATHROOM	072700	SL	39.00	16	1,000.			1,000.	164.		26.
30	BATHROOM	081200	SL	39.00	16	1,373.			1,373.	226.		35.
31	OFFICE/BATHROOM	081700	SL	39.00	16	903.			903.	147.		23.
32	BATHROOM	093000	SL	39.00	16	1,100.			1,100.	176.		28.
33	OFFICE IMPROVEMENT	093000	SL	39.00	16	1,547.			1,547.	248.		40.
34	AG BUILD LOCATION	100200	SL	39.00	16	175.			175.	28.		5.
35	ELECTRICAL WORK, OFFICE/BATHROOM	100200	SL	40.00	16	800.			800.	125.		20.
36	OFFICE IMPROVEMENT	101200	SL	39.00	16	301.			301.	48.		8.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
37	FLOORS, OFFICE, BATHROOM	102000	SL	39.00	16	1,350.			1,350.	213.		35.
38	OFFICE COUNTERS	111400	SL	39.00	16	320.			320.	51.		8.
39	OFFICE IMPROVEMENT CHAIRS/FILING CABINETS,	112200	SL	39.00	16	400.			400.	63.		10.
40	OFFICE RECORD DONATION OF TWO	101000	SL	5.00	16	1,300.			1,300.	1,300.		0.
41	HP COMPUTERS AND ONE RECORD DONATION OF	122900	SL	5.00	16	3,810.			3,810.	3,810.		0.
42	CANNON COPIER HELMET FROM BARBIZON	122900	SL	5.00	16	3,900.			3,900.	3,900.		0.
43	LIGHT GRANT FROM MASS CHARITABLE	041200	SL	5.00	16	399.			399.	399.		0.
44	GRANT	051600	SL	5.00	16	2,373.			2,373.	2,373.		0.
45	SMALL HELMETS RECORD DONATION OF 4	052300	SL	5.00	16	86.			86.	86.		0.
46	SETS OF R/E	062700	SL	5.00	16	1,937.			1,937.	1,937.		0.
47	4 HELMETS	092500	SL	5.00	16	92.			92.	92.		0.
48	LEASEHOLD IMPROVEMENTS (D)REGISTERED QUARTER	063000	SL	40.00	16	69,214.			69,214.	11,250.		1,730.
49	HORSE - VAL (D)REGISTERED PAINT -	113001	SL	7.00	16	2,712.			2,712.	1,970.		161.
50	BELLE REGISTERED PAINT -	113001	SL	7.00	16	2,713.			2,713.	1,970.		226.
51	JODY REGISTERED PAINT -	113001	SL	3.00	16	2,712.			2,712.	2,712.		0.
52	CODY REGISTERED PAINT -	113001	SL	3.00	16	2,712.			2,712.	2,712.		0.
53	T.J. (D)REGISTERED PAINT -	113001	SL	3.00	16	2,712.			2,712.	2,712.		0.
54	CANDLEFIRE	113001	SL	3.00	16	2,713.			2,713.	2,713.		0.

2007 DEPRECIATION AND AMORTIZATION REPORT

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
55	(D) GRADE/PONY - AJAX	11/30/01	SL	3.00	16	2,713.			2,713.	2,713.		0.
56	GRADE/PONY - EMMA	11/30/01	SL	3.00	16	2,712.			2,712.	2,712.		0.
57	(D) GRADE/PONY - OXNARD	11/30/01	SL	3.00	16	2,713.			2,713.	2,713.		0.
58	GRADE/PONY - TONKA	11/30/01	SL	3.00	16	2,712.			2,712.	2,712.		0.
59	REGISTERED HAFLINGER LEAR	11/30/01	SL	7.00	16	2,712.			2,712.	1,969.		388.
60	REGISTERED HAFLINGER BRANDT	11/30/01	SL	7.00	16	2,712.			2,712.	1,969.		388.
61	REGISTERED HAFLINGER HALSTATT	11/30/01	SL	7.00	16	2,713.			2,713.	1,969.		388.
62	REGISTERED HAFLINGER KESSLER	11/30/01	SL	7.00	16	2,713.			2,713.	1,969.		388.
63	REGISTERED HAFLINGER TELLEMAN	11/30/01	SL	7.00	16	2,713.			2,713.	1,969.		388.
64	REGISTERED HAFLINGER FRITZ	11/30/01	SL	7.00	16	2,713.			2,713.	1,969.		388.
65	REGISTERED HAFLINGER GRUMMAN	11/30/01	SL	7.00	16	2,713.			2,713.	1,969.		388.
66	REGISTERED HAFLINGER HANS	11/30/01	SL	7.00	16	2,713.			2,713.	1,969.		388.
67	REGISTERED HAFLINGER KONSTANZ	11/30/01	SL	7.00	16	2,713.			2,713.	1,969.		388.
68	REGISTERED HAFLINGER ROLFE	11/30/01	SL	7.00	16	2,713.			2,713.	1,969.		388.
69	REGISTERED HAFLINGER KLAGEN	11/30/01	SL	3.00	16	2,713.			2,713.	2,713.		0.
70	1988 MASSEY FURGUSON 50 HX BACKHOE-LOADER	11/30/01	SL	7.00	16	5,000.			5,000.	3,631.		714.
71	KUBOTA L4200 TRACTOR AND LOADER	11/30/01	SL	7.00	16	5,000.			5,000.	3,631.		714.
72	1988 FORD 350 4X4 RACK BODY DUMP W/9' PLOW	11/30/01	SL	7.00	16	5,000.			5,000.	3,631.		714.

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Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
73	1971 FORD F250 4X4 RACK BODY W/8' PLOW	113001	SL	7.00	16	5,000.			5,000.	3,631.		714.
74	GMC 8500 V-6 MAGNUM SINGLE AXEL DUMP	113001	SL	7.00	16	5,000.			5,000.	3,631.		714.
75	BUSH HOG MOWER 4', 3 PT. HITCH	113001	SL	7.00	16	1,500.			1,500.	1,090.		214.
76	GRADER BLADE 7', 3 PT. HITCH	113001	SL	7.00	16	1,500.			1,500.	1,090.		214.
77	LAND PRIDE 7' RAKE, 3 PT. HITCH	113001	SL	7.00	16	1,500.			1,500.	1,090.		214.
78	GRADING RAKE 3PT. HITCH	113001	SL	7.00	16	1,500.			1,500.	1,090.		214.
79	HEATER	091802	SL	5.00	16	2,000.			2,000.	1,700.		300.
80	LEASEHOLD IMPROVEMENTS ON FARM & ARENA	081502	SL	39.00	16	4,783.			4,783.	542.		123.
81	HAYRACKS	082102	SL	39.00	16	1,550.			1,550.	172.		40.
82	MOSQUITOE MAGNET	123102	SL	5.00	16	2,475.			2,475.	1,980.		495.
83	STALL FRAMES	092502	SL	39.00	16	2,205.			2,205.	240.		57.
84	OFFICE EQUIPMENT	123102	SL	5.00	16	4,000.			4,000.	3,200.		800.
85	LEASEHOLD IMPROVEMENTS ON ARENA	102702	SL	39.00	16	2,259.			2,259.	241.		58.
86	IBM THINKPAD T21	060102	SL	5.00	16	2,500.			2,500.	2,292.		208.
87	POWERPOINT PROJECTOR	071503	SL	5.00	16	1,500.			1,500.	1,050.		300.
88	12 YR OLD GELDING	090104	SL	7.00	16	8,000.			8,000.	2,667.		1,143.
89	JOHN DEERE SAND/SALT SPREADER	103004	SL	7.00	16	2,150.			2,150.	666.		307.
90	PT ARENA	082003	SL	39.00	16	16,981.			16,981.	1,452.		435.

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Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
91	SUFFOLK PUNCH GELDING - CLINT	110103	SL	7.00	16	5,000.			5,000.	2,262.		714.
92	EQUESTRIAN EQUIPMENT	113003	SL	5.00	16	3,513.			3,513.	2,166.		703.
93	TACK	073103	SL	5.00	16	700.			700.	478.		140.
94	HAFFLINGER - KAISER	060103	SL	7.00	16	6,000.			6,000.	3,071.		857.
95	6 YEAR OLD GELDING	070104	SL	7.00	16	4,000.			4,000.	1,429.		571.
96	5 YEAR OLD GELDING	070104	SL	7.00	16	4,000.			4,000.	1,429.		571.
97	CAMPAGNE MEMBERSHIP MODULE	030805	SL	3.00	16	1,449.			1,449.	886.		483.
98	2002 DODGE RAM	012406	SL	7.00	16	17,374.			17,374.	2,275.		2,482.
99	BLACKBAUD	053106	SL	3.00	16	3,250.			3,250.	632.		1,083.
100	HORSE	010106	SL	7.00	16	4,000.			4,000.	572.		571.
101	INDOOR ARENA	041607	SL	39.00	16	643,695.			643,695.			11,003.
102	BLACKBAUD SOFTWARE	071007	SL	5.00	16	1,625.			1,625.			163.
103	SADDLE SETUP	100607	SL	5.00	16	641.			641.			32.
104	TACK	123107	SL	5.00	16	2,916.			2,916.			0.
105	PT ARENA IMPROVEMENTS	030107	SL	39.00	16	5,704.			5,704.			122.
106	COPY MACHINE	071107	SL	5.00	16	5,197.			5,197.			520.
107	BARN ROOF	071107	SL	39.00	16	16,638.			16,638.			213.
108	RIDING EQUIPMENT	100107	SL	5.00	16	4,957.			4,957.			248.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
109	40' CARGO CONTAINER	113001	SL	7.00	16	1,500.			1,500.	1,090.		214.
110	40' CARGO CONTAINER	113001	SL	7.00	16	1,500.			1,500.	1,090.		214.
111	40' CARGO CONTAINER	113001	SL	7.00	16	1,500.			1,500.	1,090.		214.
112	44' BOX TRAILER MOBIL FEEDER - 20	113001	SL	7.00	16	5,000.			5,000.	3,631.		714.
113	STATION	113001	SL	7.00	16	5,000.			5,000.	3,631.		714.
114	10 JERSEY BARRIERS FOA 900 SERIES	113001	SL	7.00	16	2,500.			2,500.	1,816.		357.
115	AMPLIFIER W/MICROPHONE	113001	SL	5.00	16	1,000.			1,000.	1,000.		0.
116	MISCELLANEOUS TOOLS	113001	SL	7.00	16	3,500.			3,500.	2,542.		500.
117	LIVESTOCK EQUIPMENT	113001	SL	7.00	16	5,046.			5,046.	3,664.		721.
118	RESIDENCE BUILDING	113001	SL	39.00	17	525,000.			525,000.	68,990.		13,462.
119	BARN, PT ARENA AND OTHER STRUCTURES	113001	SL	39.00	17	450,000.			450,000.	59,135.		11,538.
120	LAND - RESIDENCE	113001	L	.000		175,000.			175,000.			0.
121	LAND - FARM	113001	L	.000		1760325.			1760325.			0.
122	HP BRIO COMPUTER	071101	SL	5.00	16	1,666.			1,666.	1,666.		0.
123	DOORS	082801	SL	39.00	17	2,154.			2,154.	297.		55.
124	WALL FOR THERAPY ROOM GIFTMAKER PRO	100101	SL	39.00	17	1,829.			1,829.	244.		47.
125	FUNDRAISING SOFTWARE	062001	SL	3.00	16	5,381.			5,381.	5,381.		0.
126	ARENA SOUND SYSTEM	101607	SL	5.00	16	12,341.			12,341.			617.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
127	PONY - OLLIE	030607	SL	7.00	16	1,200.			1,200.			143.
128	GELDING - SILAS	033007	SL	7.00	16	3,500.			3,500.			375.
129	GELDING - GUS	050807	SL	7.00	16	1,750.			1,750.			167.
130	HAFLINGER - WILSON	102607	SL	7.00	16	5,500.			5,500.			131.
131	GELDING - TUGBOAT	071207	SL	7.00	16	2,500.			2,500.			179.
132	STORAGE CONTAINER	102607	SL	7.00	16	3,050.			3,050.			73.
133	MOWER	052407	SL	5.00	19B	1,500.			1,500.			150.
	* TOTAL 990 PAGE 2 DEPR					4012607.		0.	4012607.	332,144.	0.	68,899.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 1

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
SECURITIES	16,001.	16,258.	0.	-257.
TO FORM 990, PART I, LINE 8	16,001.	16,258.	0.	-257.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
REGISTERED QUARTER HORSE - VAL	11/30/01	06/01/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	500.	2,712.	0.	2,131.	-81.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
REGISTERED PAINT - BELLE	11/30/01	08/01/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	2,713.	0.	2,196.	-517.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
REGISTERED PAINT - CANDLEFIRE	11/30/01	02/01/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	500.	2,713.	0.	2,713.	500.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
GRADE/PONY - AJAX	11/30/01	09/01/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	2,713.	0.	2,713.	0.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
GRADE/PONY - OXNARD	11/30/01	02/01/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	520.	2,713.	0.	2,713.	520.
TO FM 990, PART I, LN 8	1,520.	13,564.	0.	12,466.	422.

FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 3

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME OR (LOSS)
SPECIAL EVENTS REVENUE	351,558.	224,844.	126,714.	91,558.	35,156.
TO FM 990, PART I, LINE 9	351,558.	224,844.	126,714.	91,558.	35,156.

FORM 990 OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
INSTRUCTION	20,831.	20,831.		
INSURANCE	27,162.	13,034.	12,499.	1,629.
ADVERTISING	17,402.	15,344.	2,058.	
DUES & SUBSCRIPTIONS	2,454.	1,569.	40.	845.
OFFICE EXPENSES	39,455.	30,813.	8,580.	62.
FARM OPERATIONS	95,290.	95,290.		
BAD DEBT	9,000.	9,000.		
SPECIAL EVENTS	15,542.	15,542.		
FUNDRAISING EXPENSES	20,410.	1,920.		18,490.
TOTAL TO FM 990, LN 43	247,546.	203,343.	23,177.	21,026.

FORM 990	OTHER INVESTMENTS	STATEMENT	5
DESCRIPTION	VALUATION METHOD	AMOUNT	
AGENCY ENDOWMENT	MARKET VALUE	6,035.	
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		6,035.	

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	6
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
RIDING EQUIPMENT	2,293.	2,293.	0.
SADDLES	1,685.	1,685.	0.
SADDLES	1,228.	1,228.	0.
SADDLES	1,265.	1,265.	0.
COMPUTER	2,260.	2,260.	0.
PHOTO EQUIPMENT	2,210.	2,210.	0.
FAX MACHINE	500.	500.	0.
VIDEO EQUIPMENT	400.	400.	0.
PA SYSTEM	520.	520.	0.
LEASEHOLD IMPROVEMENTS	21,395.	14,983.	6,412.
LEASEHOLD IMPROVEMENTS	5,670.	3,432.	2,238.
COMPUTER	2,464.	2,464.	0.
COPIER	5,100.	5,100.	0.
CONCRETE - PT ARENA	3,203.	3,203.	0.
PARKING LOT LIGHTING	3,185.	3,150.	35.
DELPAC	500.	500.	0.
PAVEMENT - PARKING LOT	7,000.	3,813.	3,187.
HEAT/AIR-OFFICE	1,850.	375.	1,475.
ELECTRICITY, OFFICE	800.	163.	637.
HEAT/AIR, OFFICE	1,850.	375.	1,475.
ELECTRICAL WORK	300.	61.	239.
HEAT/AIR	1,450.	285.	1,165.
HEAT AND AIR, OFFICE	85.	16.	69.
OFFICE	240.	47.	193.
FROM WALTERS DONATION(PLASTER)	2,300.	442.	1,858.
OFFICE IMPROVEMENT	1,187.	228.	959.
OFFICE IMPROVEMENT	400.	77.	323.
OFFICE	618.	118.	500.
BATHROOM	1,000.	190.	810.
BATHROOM	1,373.	261.	1,112.
OFFICE/BATHROOM	903.	170.	733.
BATHROOM	1,100.	204.	896.
OFFICE IMPROVEMENT	1,547.	288.	1,259.
AG BUILD LOCATION	175.	33.	142.

ELECTRICAL WORK,			
OFFICE/BATHROOM	800.	145.	655.
OFFICE IMPROVEMENT	301.	56.	245.
FLOORS, OFFICE, BATHROOM	1,350.	248.	1,102.
OFFICE COUNTERS	320.	59.	261.
OFFICE IMPROVEMENT	400.	73.	327.
CHAIRS/FILING CABINETS, OFFICE	1,300.	1,300.	0.
RECORD DONATION OF TWO HP			
COMPUTERS AND ONE PRINTER	3,810.	3,810.	0.
RECORD DONATION OF CANNON			
COPIER	3,900.	3,900.	0.
HELMET FROM BARBIZON LIGHT			
GRANT	399.	399.	0.
FROM MASS CHARITABLE GRANT	2,373.	2,373.	0.
SMALL HELMETS	86.	86.	0.
RECORD DONATION OF 4 SETS OF			
R/E	1,937.	1,937.	0.
4 HELMETS	92.	92.	0.
LEASEHOLD IMPROVEMENTS	69,214.	12,980.	56,234.
REGISTERED PAINT - JODY	2,712.	2,712.	0.
REGISTERED PAINT - CODY	2,712.	2,712.	0.
REGISTERED PAINT - T.J.	2,712.	2,712.	0.
GRADE/PONY - EMMA	2,712.	2,712.	0.
GRADE/PONY - TONKA	2,712.	2,712.	0.
REGISTERED HAFLINGER - LEAR	2,712.	2,357.	355.
REGISTERED HAFLINGER - BRANDT	2,712.	2,357.	355.
REGISTERED HAFLINGER -			
HALSTATT	2,713.	2,357.	356.
REGISTERED HAFLINGER - KESSLER	2,713.	2,357.	356.
REGISTERED HAFLINGER -			
TELLEMAN	2,713.	2,357.	356.
REGISTERED HAFLINGER - FRITZ	2,713.	2,357.	356.
REGISTERED HAFLINGER - GRUMMAN	2,713.	2,357.	356.
REGISTERED HAFLINGER - HANS	2,713.	2,357.	356.
REGISTERED HAFLINGER -			
KONSTANZ	2,713.	2,357.	356.
REGISTERED HAFLINGER - ROLFE	2,713.	2,357.	356.
REGISTERED HAFLINGER - KLAGEN	2,713.	2,713.	0.
1988 MASSEY FURGUSON 50 HX			
BACKHOE-LOADER	5,000.	4,345.	655.
KUBOTA L4200 TRACTOR AND			
LOADER	5,000.	4,345.	655.
1988 FORD 350 4X4 RACK BODY			
DUMP W/9' PLOW	5,000.	4,345.	655.
1971 FORD F250 4X4 RACK BODY			
W/8' PLOW	5,000.	4,345.	655.
GMC 8500 V-6 MAGNUM SINGLE			
AXEL DUMP	5,000.	4,345.	655.
BUSH HOG MOWER 4', 3 PT. HITCH	1,500.	1,304.	196.
GRADER BLADE 7', 3 PT. HITCH	1,500.	1,304.	196.
LAND PRIDE 7' RAKE, 3 PT.			
HITCH	1,500.	1,304.	196.
GRADING RAKE 3PT. HITCH	1,500.	1,304.	196.

HEATER	2,000.	2,000.	0.
LEASEHOLD IMPROVEMENTS ON FARM & ARENA	4,783.	665.	4,118.
HAYRACKS	1,550.	212.	1,338.
MOSQUITOE MAGNET	2,475.	2,475.	0.
STALL FRAMES	2,205.	297.	1,908.
OFFICE EQUIPMENT	4,000.	4,000.	0.
LEASEHOLD IMPROVEMENTS ON ARENA	2,259.	299.	1,960.
IBM THINKPAD T21	2,500.	2,500.	0.
POWERPOINT PROJECTOR	1,500.	1,350.	150.
12 YR OLD GELDING	8,000.	3,810.	4,190.
JOHN DEERE SAND/SALT SPREADER	2,150.	973.	1,177.
PT ARENA	16,981.	1,887.	15,094.
SUFFOLK PUNCH GELDING - CLINT	5,000.	2,976.	2,024.
EQUESTRIAN EQUIPMENT	3,513.	2,869.	644.
TACK	700.	618.	82.
HAFFLINGER - KAISER	6,000.	3,928.	2,072.
6 YEAR OLD GELDING	4,000.	2,000.	2,000.
5 YEAR OLD GELDING	4,000.	2,000.	2,000.
CAMPAGNE MEMBERSHIP MODULE	1,449.	1,369.	80.
2002 DODGE RAM	17,374.	4,757.	12,617.
BLACKBAUD	3,250.	1,715.	1,535.
HORSE	4,000.	1,143.	2,857.
INDOOR ARENA	643,695.	11,003.	632,692.
BLACKBAUD SOFTWARE	1,625.	163.	1,462.
SADDLE SETUP	641.	32.	609.
TACK	2,916.	0.	2,916.
PT ARENA IMPROVEMENTS	5,704.	122.	5,582.
COPY MACHINE	5,197.	520.	4,677.
BARN ROOF	16,638.	213.	16,425.
RIDING EQUIPMENT	4,957.	248.	4,709.
40' CARGO CONTAINER	1,500.	1,304.	196.
40' CARGO CONTAINER	1,500.	1,304.	196.
40' CARGO CONTAINER	1,500.	1,304.	196.
44' BOX TRAILER	5,000.	4,345.	655.
MOBIL FEEDER - 20 STATION	5,000.	4,345.	655.
10 JERSEY BARRIERS	2,500.	2,173.	327.
TOA 900 SERIES AMPLIFIER W/MICROPHONE AND SPEAKERS	1,000.	1,000.	0.
MISCELLANEOUS TOOLS	3,500.	3,042.	458.
LIVESTOCK EQUIPMENT	5,046.	4,385.	661.
RESIDENCE BUILDING	525,000.	82,452.	442,548.
BARN, PT ARENA AND OTHER STRUCTURES	450,000.	70,673.	379,327.
LAND - RESIDENCE	175,000.	0.	175,000.
LAND - FARM	1,760,325.	0.	1,760,325.
HP BRIO COMPUTER	1,666.	1,666.	0.
DOORS	2,154.	352.	1,802.
WALL FOR THERAPY ROOM	1,829.	291.	1,538.
GIFTMAKER PRO FUNDRAISING SOFTWARE	5,381.	5,381.	0.
ARENA SOUND SYSTEM	12,341.	617.	11,724.

PONY - OLLIE	1,200.	143.	1,057.
GELDING - SILAS	3,500.	375.	3,125.
GELDING - GUS	1,750.	167.	1,583.
HAFLINGER - WILSON	5,500.	131.	5,369.
GELDING - TUGBOAT	2,500.	179.	2,321.
STORAGE CONTAINER	3,050.	73.	2,977.
MOWER	1,500.	150.	1,350.
TOTAL TO FORM 990, PART IV, LN 57	3,999,043.	388,577.	3,610,466.

FORM 990 OTHER ASSETS STATEMENT 7

DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
ESCROW - REAL ESTATE TAX	1,803.	1,557.
CONSTRUCTION IN PROCESS	613,233.	12,985.
TOTAL TO FORM 990, PART IV, LINE 58	615,036.	14,542.

FORM 990 MORTGAGES PAYABLE STATEMENT 8

DESCRIPTION	BALANCE DUE
ENTERPRISE BANK AND TRUST	1,067,914.
RICHARD A. DONOVAN	564,000.
ED STEVENS	0.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B	1,631,914.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, STATEMENT 9
 TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE	
			BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARY-ELIZABETH O'BRIEN 450 LOWELL STREET ANDOVER, MA 01810	EXEC. DIRECTOR 40.00	33,280.	0.	1,200.
DAVID SOLLARS 450 LOWELL STREET ANDOVER, MA 01810	PRESIDENT 5.00	0.	0.	0.
CHARLES GAFFNEY 450 LOWELL STREET ANDOVER, MA 01810	CLERK 5.00	0.	0.	0.
JOHN J. MCNAMEE, JR. 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.
PETER RAFFALLI 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.
WALTER P. REICHERT 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.
NANCY ANGELL 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.
MARTHA GAFFNEY 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.
DAVID PIERRE 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.
ED STEVENS 450 LOWELL STREET ANDOVER, MA 01810	TREASURER 5.00	0.	0.	0.
DIANE SOLLARS 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.

RODOLFO BAEZ 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.
JAMES ALEX 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.
JAMES GLEASON 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.
PATRICK LEYNE 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.
PETER MCCARTHY 450 LOWELL STREET ANDOVER, MA 01810	DIRECTOR 5.00	0.	0.	0.

TOTALS INCLUDED ON FORM 990, PART V-A

33,280.	0.	1,200.
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FORM 990

EXPLANATION OF RELATIONSHIP
PART V-A, LINE 75B

STATEMENT 10

INDIVIDUAL'S NAME

TITLE OR ROLE

CHARLES GAFFNEY

CLERK

INDIVIDUAL'S NAME

TITLE OR ROLE

MARTHA GAFFNEY

DIRECTOR

EXPLANATION OF RELATIONSHIP

SIBLINGS

INDIVIDUAL'S NAME

TITLE OR ROLE

DAVID SOLLARS

PRESIDENT

INDIVIDUAL'S NAME

TITLE OR ROLE

DIANE SOLLARS

DIRECTOR

EXPLANATION OF RELATIONSHIP

SPOUSE

<u>INDIVIDUAL'S NAME</u>	<u>TITLE OR ROLE</u>
DAVID SOLLARS	PRESIDENT

<u>INDIVIDUAL'S NAME</u>	<u>TITLE OR ROLE</u>
DAVID PIERRE	DIRECTOR

EXPLANATION OF RELATIONSHIP
 BUSINESS PARTNERS

<u>INDIVIDUAL'S NAME</u>	<u>TITLE OR ROLE</u>
DAVID PIERRE	DIRECTOR

<u>INDIVIDUAL'S NAME</u>	<u>TITLE OR ROLE</u>
NANCY ANGELL	DIRECTOR

EXPLANATION OF RELATIONSHIP
 SPOUSE

SCHEDULE A	OTHER INCOME			STATEMENT 11
DESCRIPTION	2006 AMOUNT	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT
RECOVERY OF BAD DEBT	7,000.	0.	0.	0.
TOTAL TO SCHEDULE A, LINE 22	7,000.	0.	0.	0.

Depreciation and Amortization 990
 (Including Information on Listed Property)

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

CHALLENGE UNLIMITED, INC.

FORM 990 PAGE 2

22-2478997

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	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.)

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	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	43,647.

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	25,102.
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	<input type="checkbox"/>	

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		1,500.	5 YRS.	HY	SL	150.
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	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			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 instr.	22	68,899.
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	

Part V

Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with columns (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost

25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use 25

26 Property used more than 50% in a qualified business use: Table with columns for percentage and other details

27 Property used 50% or less in a qualified business use: Table with columns for percentage and other details

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

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

Table for Section B with columns (a) through (f) Vehicle and rows 30-36 regarding miles driven and personal use availability

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

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

Table for Section C with rows 37-41 regarding policy statements and requirements for vehicle use

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

Part VI Amortization

Table for Part VI with columns (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year

42 Amortization of costs that begins during your 2007 tax year: Table with columns for percentage and other details

43 Amortization of costs that began before your 2007 tax year 43

44 Total. Add amounts in column (f). See the instructions for where to report 44