

Form **990-EZ**

**Short Form  
Return of Organization Exempt From Income Tax**

OMB No 1545-1150

**2005**

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

▶ For organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at the end of the year

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

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

**A For the 2005 calendar year, or tax year beginning** Aug 1 , 2005, **and ending** Jul 31 , 2006

<p><b>B</b> Check if applicable:</p> <p><input type="checkbox"/> Address change</p> <p><input type="checkbox"/> Name change</p> <p><input type="checkbox"/> Initial return</p> <p><input type="checkbox"/> Final return</p> <p><input type="checkbox"/> Amended return</p> <p><input type="checkbox"/> Application pending</p>	<p>Please use IRS label or print or type. See Specific Instructions.</p>	<p><b>C</b> Name of organization <b>Magic Box Productions, Inc.</b></p> <p>Number and street (or P O box, if mail is not delivered to street address) Room/suite <b>274 Bedford Road</b></p> <p>City or town, state or country, and ZIP + 4 <b>Pleasantville NY 10570</b></p>	<p><b>D</b> Employer identification number <b>20-2924921</b></p> <p><b>E</b> Telephone number <b>(718) 809-7405</b></p> <p><b>F</b> Group Exemption Number</p>
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• 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  Accrual  
Other (specify) ▶

**I** Web site: ▶ www.magicboxproductions.org

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

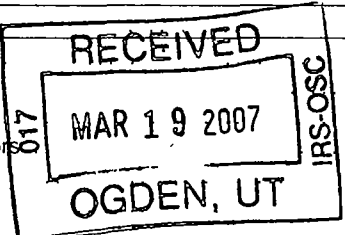
**J** Organization type (check only one) -  501(c) ( 3 ) (insert no)  4947(a)(1) or  527

**K** Check  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

**L** Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts, if \$100,000 or more, file Form 990 instead of Form 990-EZ ▶ \$ 78,934.

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

	1 Contributions, gifts, grants, and similar amounts received		
	2 Program service revenue including government fees and contracts	2	78,615.
	3 Membership dues and assessments	3	
	4 Investment income	4	119.
	5a Gross amount from sale of assets other than inventory	5a	
	b Less cost or other basis and sales expenses	5b	
	c Gain or (loss) from sale of assets other than inventory (line 5a less line 5b) (attach schedule)	5c	
	6 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>		
	a Gross revenue (not including \$ _____ of contributions reported on line 1)	6a	
	b Less direct expenses other than fundraising expenses	6b	
	c Net income or (loss) from special events and activities (line 6a less line 6b)	6c	
	7a Gross sales of inventory, less returns and allowances	7a	
	b Less cost of goods sold	7b	
	c Gross profit or (loss) from sales of inventory (line 7a less line 7b)	7c	
	8 Other revenue (describe ▶ <u>Duplication Income</u> )	8	200.
	<b>9 Total revenue</b> (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8)	9	78,934.
REVENUE	10 Grants and similar amounts paid (attach schedule)	10	
	11 Benefits paid to or for members	11	
	12 Salaries, other compensation, and employee benefits	12	19,168.
	13 Professional fees and other payments to independent contractors	13	1,255.
	14 Occupancy, rent, utilities, and maintenance	14	1,875.
	15 Printing, publications, postage, and shipping	15	1,304.
	16 Other expenses (describe ▶ <u>See Other Expenses Statement</u> )	16	58,439.
	<b>17 Total expenses</b> (add lines 10 through 16)	17	82,041.
	18 Excess or (deficit) for the year (line 9 less line 17)	18	-3,107.
ASSETS	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	-2,945.
	20 Other changes in net assets or fund balances (attach explanation)	20	100.
	<b>21 Net assets or fund balances at end of year</b> (combine lines 18 through 20)	21	-5,952.



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

		(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	22	0.	3,983.
23 Land and buildings	23	0.	0.
24 Other assets (describe ▶ _____)	24	0.	0.
<b>25 Total assets</b>	25	0.	3,983.
26 Total liabilities (describe ▶ <u>See L-26 Stmt</u> )	26	2,945.	9,935.
<b>27 Net assets or fund balances</b> (line 27 of column (B) must agree with line 21)	27	-2,945.	-5,952.

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

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Form **990-EZ** (2005)

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Part III Statement of Program Service Accomplishments (See Instructions)		Expenses	
What is the organization's primary exempt purpose? <b>Educate students and teachers</b>		(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, optional for others)	
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, or other relevant information for each program title			
28	Through direct instruction to students, educators and parents (both mainstream and special ed) & conference presentations for arts & education professionals, MBP Served a total of 1,028 students, 211 educators and 75 parents (Grants \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>	28 a	45,210.
29	----- ----- ----- (Grants \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	29 a	
30	----- ----- ----- (Grants \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	30 a	
31	Other program services (attach schedule) (Grants \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	31 a	
32	<b>Total program service expenses</b> (add lines 28a through 31a) <input type="checkbox"/>	32	45,210.

Part IV List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated. See Instructions)				
(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
Nelle Stokes 274 Bedford Road Pleasantville, NY 10570	Exec Dir/Board Pres 40	18,462.	0.	0.
Andrea Sholler 115 E. 87th St. Apt 9A New York, NY 10128	VP/Treasurer .5	0.	0.	0.
Susan Joenk 271 Bedford Road Pleasantville, NY 10570	Secretary .5	0.	0.	0.
----- ----- -----				

Part V Other Information (Note the attachment requirement in the instructions)		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	N/A
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes	34	N/A
35	If the organization had income from business activities, such as those reported on lines 2, 6, and 7 (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T		
a	Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements?	35 a	X
b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	35 b	N/A
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? (If 'Yes,' att a strmnt)	36	X
37 a	Enter amount of political expenditures, direct or indirect, as described in the instructions <input type="checkbox"/> 37 a		0.
b	Did the organization file Form 1120-POL for this year?	37 b	X
38 a	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 unpaid at the start of the period covered by this return?	38 a	X
b	If 'Yes,' attach the sch specified in the ln 38 instructions and enter the amount involved	38 b	N/A
39	501(c)(7) organizations Enter:		
a	Initiation fees and capital contributions included on line 9	39 a	N/A
b	Gross receipts, included on line 9, for public use of club facilities	39 b	N/A
40 a	501(c)(3) organizations Enter amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> , section 4912 <input type="checkbox"/> , section 4955 <input type="checkbox"/>		
b	501(c)(3) and (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 an explanation	40 b	X
c	Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/>		
d	Enter amount of tax on line 40c reimbursed by the organization <input type="checkbox"/>		

**Part V Other Information** (Note the attachment requirement in the instructions) (Continued)

**41** List the states with which a copy of this return is filed ▶ New York

**42 a** The books are in care of ▶ Nelle Stokes Telephone no ▶ (718) 809-7405  
 Located at ▶ 274 Bedford Road, Pleasantville, NY ZIP + 4 ▶ 10570

**b** At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?  
 If 'Yes,' enter the name of the foreign country ▶ \_\_\_\_\_  
 See the instructions for exceptions and filing requirements for Form TD F 90-22.1

	Yes	No
<b>42b</b>		X
<b>42c</b>		X

**c** At any time during the calendar year, did the organization maintain an office outside of the U S ?  
 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 N/A

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

▶ Nelle Stokes 3/12/07 ▶ Nelle Stokes, Executive Director  
 Signature of officer Date Type or print name and title

**Paid Preparer's Use Only**

Preparer's signature ▶ <u>Paul Newman</u> <u>[Signature]</u>	Date ▶ <u>03/11/07</u>	Check if self-employed ▶ <input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See General Instruction W)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ <u>Paul Newman, CPA</u> <u>88 WOODCUT LN</u> <u>ROSLYN HEIGHTS NY 11577</u>	EIN ▶ <u>20-0229558</u>	Phone no ▶ <u>(516) 633-9687</u>	

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

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

OMB No 1545 0047

**(Except Private Foundation) and Section 501(e), 501(f), 501(k),**  
**501(n), or 4947(a)(1) Nonexempt Charitable Trust**

**2005**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information — (See separate instructions.)**

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Name of the organization: **Magic Box Productions, Inc.** Employer identification number: **20-2924921**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See instructions List each one If there are none, enter 'None ')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50,000 ▶	None			

**Part II – A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See instructions List each one (whether individuals or firms) If there are none, enter 'None ')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services ▶	None	

**Part II – B Compensation of the Five Highest Paid Independent Contractors for Other Services**

(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter 'None ' See instructions )

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services ▶	None	

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

Schedule A (Form 990 or 990-EZ) 2005

Part III Statements About Activities (See instructions)

Table with 3 columns: Question, Yes, No. Contains questions 1 through 4b regarding lobbying activities, sale of property, lending, and grants.

Part IV Reason for Non-Private Foundation Status (See instructions)

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)(v) (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 [X] 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 supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) Check the box that describes the type of supporting organization Type 1 Type 2 Type 3

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

Table with 2 columns: (a) Name(s) of supported organization(s), (b) Line number from above

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)					
<b>16</b> Membership fees received					
<b>17</b> 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					
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> 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.					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
<b>23</b> Total of lines 15 through 22					
<b>24</b> Line 23 minus line 17					
<b>25</b> Enter 1% of line 23					

**26 Organizations described on lines 10 or 11:**

**a** Enter 2% of amount in column (e), line 24 ▶ **26 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 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶ **26 b**

**c** Total support for section 509(a)(1) test. Enter line 24, column (e) ▶ **26 c**

**d** Add: Amounts from column (e) for lines **18** \_\_\_\_\_ **19** \_\_\_\_\_ ▶ **26 d**  
**22** \_\_\_\_\_ **26 b** \_\_\_\_\_

**e** Public support (line 26c minus line 26d total) ▶ **26 e**

**f** **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26 f** %

**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:  
 (2004) \_\_\_\_\_ (2003) \_\_\_\_\_ (2002) \_\_\_\_\_ (2001) \_\_\_\_\_

**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:  
 (2004) \_\_\_\_\_ (2003) \_\_\_\_\_ (2002) \_\_\_\_\_ (2001) \_\_\_\_\_

**c** Add: Amounts from column (e) for lines: **15** \_\_\_\_\_ **16** \_\_\_\_\_ ▶ **27 c**  
**17** \_\_\_\_\_ **20** \_\_\_\_\_ **21** \_\_\_\_\_

**d** Add: Line 27a total \_\_\_\_\_ and line 27b total \_\_\_\_\_ ▶ **27 d**

**e** Public support (line 27c total minus line 27d total) ▶ **27 e**

**f** Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ▶ **27 f**

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

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

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

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

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?			
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?			
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement ) ----- ----- -----			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?			
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?			
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?			
d	Copies of all material used by the organization or on its behalf to solicit contributions?  If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement ) ----- -----			
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?			
b	Admissions policies?			
c	Employment of faculty or administrative staff?			
d	Scholarships or other financial assistance?			
e	Educational policies?			
f	Use of facilities?			
g	Athletic programs?			
h	Other extracurricular activities?  If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement ) ----- -----			
34a	Does the organization receive any financial aid or assistance from a governmental agency?			
b	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation			





**Form 990-EZ Information Regarding Transfers Associated  
with Personal Benefit Contracts**

**2005**

Name as Shown on Return

Magic Box Productions, Inc.

Employer Identification No

20-2924921

1. Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?   ▶  Yes  No  N/A
2. Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?   ▶  Yes  No  N/A

Form 990-EZ, Part I, Line 16

**Other Expenses Statement**

Other expenses (describe)	
Miscellaneous	8,288.
Duplication	2.
Insurance-General Liability	601.
Outside Services	4,855.
Production Expenses	300.
Teaching Expenses:Subcontractor-Teaching	36,072.
Teaching Expenses:Supplies-Teaching	1,033.
Teaching Expenses:Tape-Teaching	66.
Transportation (Local):Other	750.
Transportation (Local):Parking+Tolls	137.
Advertising	768.
Automobile Expense	93.
Bank Service Charges	30.
Dues and Subscriptions	175.
Meals & Ent	726.
Office Expense	34.
Website	3,103.
Travel	452.
Conferences, conventions and meetings	667.
Interest	287.
<b>Total</b>	<b>58,439.</b>

Form 990-EZ, Page 1, Part II, Line 26

**Total Liabilities Statement**

Line 26 - Total Liabilities:	Beginning of Year	End of Year
Customer Deposit		2,850.
Due to Magic Box Studios, LLC		-100.
Accounts Payable and Accrued Expenses		7,185.
<b>Total</b>		<b>9,935.</b>

**Magic Box Productions, Inc.**

**Financial Statements**

**For the Year Ended July 31, 2006**

# Magic Box Productions, Inc.

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# PAUL NEWMAN, CPA

To the Board of Directors

Magic Box Productions, Inc.  
274 Bedford Road  
Pleasantville, NY 10570

We have compiled the accompanying Statement of Financial Position of Magic Box Productions, Inc. as of July 31, 2006 and the related Statements of Activities and Statement of Cash Flows for the period then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying statements and, accordingly, do not express an opinion or any other form of assurance on them.



CERTIFIED PUBLIC ACCOUNTANT

March 11, 2007



88 Woodcut Lane  
Roslyn Heights, NY 11577

PHONE	(516) 484-5848
FAX	(516) 484-1794
CELL	(516) 633-9687
E-MAIL	pnewman@optonline.net

**Magic Box Productions, Inc.**  
Statement of Financial Position  
For the Year Ended July 31, 2006

Current Assets:

Cash in Bank \$ 3,983

**Total Assets** \$ 3,983

Current Liabilities:

Credit Cards \$ 7,234

Other Current Liabilities 2,801

**Total Liabilities** 10,035

Net Assets -6,052

**Total Liabilities and Net Assets** \$ 3,983

**Magic Box Productions, Inc.**  
Statement of Activities  
For the Year Ended July 31, 2006

**Support and Revenue:**

Program Fees	\$ 75,382
Other Income	<u>3,552</u>
Total Support and Revenue	<u>78,934</u>

**Expenses:**

Program Services	41,095
General and Administrative Expenses	<u>40,946</u>
Total Expenses	<u>82,041</u>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	(3,107)
Net Assets – Beginning of Year	<u>(2,945)</u>
<b>Net Assets – End of Year</b>	<u><u>(6,052)</u></u>

**Magic Box Productions, Inc.**  
Statement of Cash Flows  
For the Year Ended July 31, 2006

**Cash Flows from Operating Activities:**

Change in Net Assets	<u>\$ (3,107)</u>
Adjustments to Reconcile Net Assets to Cash Provided (Used) by Operating Activities	
<u>Increase (Decrease) in:</u>	
Current Liabilities	<u>7,090</u>
Net Increase (Decrease) in Cash	3,983
Cash August 1, 2005	0
Cash July 31, 2006	<u>\$ 3,983</u>

**Supporting Statement to Financial Statements**

**Magic Box Productions, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended July 31, 2006**

<b>Functional Expenses:</b>	<b>Total</b>	<b>Administrative</b>	<b>Program</b>
Payroll & Taxes	\$ 19,168	\$ 19,168	\$ 0
Teaching Artists	36,072	0	36,072
Staff Expenses	1,099	0	1,099
Occupancy	1,600	1,600	0
Supplies & Office Expense	10,354	8,284	2,070
Purchased Services	5,155	4,855	300
Advertising	768	768	0
Professional Fees	1,255	1,255	0
Interest & Bank Fees	317	317	0
Insurance	601	601	0
Transportation & Travel	1,432	545	887
Computing & Website	3,103	3,103	0
Small Equipment and Repairs	275	275	0
Staff Development	<u>842</u>	<u>175</u>	<u>667</u>
<b>Total Functional Expenses</b>	<b><u>\$ 82,041</u></b>	<b><u>\$ 40,946</u></b>	<b><u>\$ 41,095</u></b>

## Magic Box Productions, Inc.

Notes to Financial Statements  
For the Year Ended July 31, 2006

1. Magic Box Productions, Inc. is a not-for-profit corporation incorporated under section 402 of the Not-For-Profit Corporation law of New York State and under Section 501(3) of the Internal Revenue Code.
2. During the year ended July 31, 2006 Magic Box Productions, Inc. did not have income from activities that is not directly related to its tax-exempt purpose.
3. The financial statements of Magic Box Productions, Inc. have been prepared on the cash basis.
4. **Financial Statement Presentation** Magic Box Productions, Inc. has elected to adopt Statement of Financial Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. At July 31, 2006 there were no assets other than unrestricted net assets.
5. **Donated Services** A significant portion of the corporation's functions was donated by unpaid volunteers such as officers, associate artists and committee members. The value of this contributed time is not reflected in the accompanying financial statements as it is not objectively measurable, but without which it would be unable to function effectively.
6. **Purpose** Magic Box Productions, Inc. is dedicated to educating students and teachers in the language of the moving image through immersion in film, video and media arts; to integrate the process of digital storytelling into schools by bringing professional artist-educators to schools and cultural organizations enabling students and teachers to use technology to deepen understanding and enhance expression by creating original work; and to conduct professional development workshops on documentary filmmaking.
7. **Inter-company Loan** During the period, Magic Box Productions, Inc. borrowed from its for-profit related entity, funds necessary to meet current operations. This loan will be repaid from operating proceeds.