

**Short Form**  
**Return of Organization Exempt From Income Tax**  
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
 (except black lung benefit trust or private foundation)

**2008**

Department of the Treasury  
Internal Revenue Service

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$1,000,000 and total assets less than \$2,500,000 at the end of the year may use this form.  
 ▶ The organization may have to use a copy of this return to satisfy state reporting requirements

**Open to Public Inspection**

**A For the 2008 calendar year, or tax year beginning** Aug 1, 2008, **and ending** Jul 31, 2009

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>Magic Box Productions, Inc.</b> Number and street (or P O box, if mail is not delivered to street address) Room/suite <b>274 Bedford Road</b> City or town, state or country, and ZIP + 4 <b>Pleasantville NY 10570</b>	<b>D</b> Employer identification number 20-2924921
		<b>E</b> Telephone number (914) 630-0256
		<b>F</b> Group Exemption Number

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

**G** Accounting method  Cash  Accrual  
Other (specify) ▶

**I Website:** ▶ www.magicboxproductions.org

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

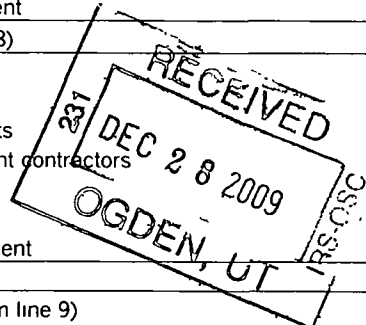
**J Organization type** (check only one) —  501(c) ( 3 ) (insert no)  4947(a)(1) or  527

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

**L** Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts, if \$1,000,000 or more, file Form 990 instead of Form 990-EZ. ▶ \$ 189,454.

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

<b>REVENUE</b>	1 Contributions, gifts, grants, and similar amounts received	1	3,329.
	2 Program service revenue including government fees and contracts	2	179,407.
	3 Membership dues and assessments	3	
	4 Investment income	4	
	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 (Subtract line 5b from line 5a) (att sch)	5c	
	6 Special events and activities (complete applicable parts of Schedule G) 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 (Subtract line 6b from line 6a)	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 (Subtract line 7b from line 7a)	7c		
8 Other revenue (describe ▶ See Other Revenue Statement)	8	6,718.	
9 <b>Total revenue</b> (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8)	9	189,454.	
<b>EXPENSES</b>	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	34,187.
	13 Professional fees and other payments to independent contractors	13	2,388.
	14 Occupancy, rent, utilities, and maintenance	14	6,722.
	15 Printing, publications, postage, and shipping	15	956.
	16 Other expenses (describe ▶ See Other Expenses Statement)	16	146,080.
	17 <b>Total expenses</b> (add lines 10 through 16)	17	190,333.
18 Excess or (deficit) for the year (Subtract line 17 from line 9)	18	-879.	
<b>ASSETS</b>	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	-20,295.
	20 Other changes in net assets or fund balances (attach explanation)	20	
	21 Net assets or fund balances at end of year Combine lines 18 through 20	21	-21,174.



**Part II Balance Sheets.** If Total assets on line 25, column (B) are \$2,500,000 or more, file Form 990 instead of Form 990-EZ

(See the instructions for Part II)

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	3,650.	4,789.
23 Land and buildings	0.	0.
24 Other assets (describe ▶ See L-24 Stmt)	191.	376.
25 <b>Total assets</b>	3,841.	5,165.
26 <b>Total liabilities</b> (describe ▶ See L-26 Stmt)	24,136.	26,339.
27 <b>Net assets or fund balances</b> (line 27 of column (B) must agree with line 21)	-20,295.	-21,174.

14P

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**Part V. Other Information** (Note the statement requirement in General Instruction V.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
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		X
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining 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?		X
b	If 'Yes,' has it filed a tax return on Form 990-T for this year?		
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' complete applicable parts of Schedule N		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions <span style="float:right">▶ 37a</span> 0.		
b	Did the organization file Form 1120-POL for this year?		X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		X
b	If 'Yes,' complete Schedule L, Part II and enter the total amount involved <span style="float:right">38b</span>		
39	501(c)(7) organizations Enter		
a	Initiation fees and capital contributions included on line 9 <span style="float:right">39a</span>		
b	Gross receipts, included on line 9, for public use of club facilities <span style="float:right">39b</span>		
40a	501(c)(3) organizations Enter amount of tax imposed on the organization during the year under section 4911 ▶ _____, section 4912 ▶ _____, section 4955 ▶ _____		
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,' complete Schedule L, Part I	40b	X
c	Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <span style="float:right">▶</span> _____		
d	Enter amount of tax on line 40c reimbursed by the organization <span style="float:right">▶</span> _____		
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If 'Yes,' complete Form 8886-T	40e	X
41	List the states with which a copy of this return is filed ▶ _____		

42a The books are in care of ▶ Nelle Stokes Telephone no ▶ (914) 630-0256  
 Located at ▶ 274 Bedford Road, Pleasantville, NY ZIP + 4 ▶ 10570

		Yes	No
42b	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 ▶ _____		X

See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of a Foreign Bank and Financial Accounts.

42c	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 ▶ _____		X
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43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶  43

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

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

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

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

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

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

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
None		
Total number of other independent contractors receiving over \$100,000		

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

**Sign Here**  
 Signature of officer: Nelle Stokes Date: 12/14/09  
 Type or print name and title: Nelle Stokes Executive Director

**Paid Preparer's Use Only**  
 Preparer's signature: Paul Newman Date: 12/10/09 Check if self-employed:   
 Firm's name (or yours if self-employed), address, and ZIP + 4: Paul Newman  
88 Woodcut Lane  
Roslyn Heights NY 11577 Preparer's Identifying Number (See instructions): 633-9687  
 EIN: \_\_\_\_\_ Phone no: (516) 633-9687

May the IRS discuss this return with the preparer shown above? See instructions  Yes  No  
 BAA Form 990-EZ (2008)

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

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

To be completed by all section 501 (c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

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

OMB No 1545 0047

**2008**

**Open to Public Inspection**

Name of the organization <b>Magic Box Productions, Inc.</b>	Employer identification number <b>20-2924921</b>
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**Part I Reason for Public Charity Status** (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is (Please check only **one** organization )

- 1  A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E )
- 3  A hospital or cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**. (Attach Schedule H )
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)** Enter the hospital's name, city, and state \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II )
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II )
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II )
- 9  An organization that normally receives (1) more than 33-1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III )
- 10  An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**. (see instructions)
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
  - a  Type I                      b  Type II                      c  Type III – Functionally integrated                      d  Type III– Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
<b>11 g (i)</b>		
<b>11 g (ii)</b>		
<b>11 g (iii)</b>		

- (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) a family member of a person described in (i) above?
- (iii) a 35% controlled entity of a person described in (i) or (ii) above?

**h** Provide the following information about the organizations the organization supports

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

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions and membership fees received (Do not include 'unusual grants'.)						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf						
<b>3</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>4 Total.</b> Add lines 1-3						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6 Public support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11 Total support.</b> Add lines 7 through 10						

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

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

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	%
<b>15</b> Public support percentage for 2007 Schedule A, Part IV-A, line 26f	<b>15</b>	%

**16a 33-1/3 support test – 2008.** If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

**b 33-1/3 support test – 2007.** If the organization did not check a box on line 13, or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

**17a 10%-facts-and-circumstances test – 2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization

**b 10%-facts-and-circumstances test – 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization

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

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions and membership fees received (Do not include 'unusual grants')						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in a activity that is related to the organization's tax-exempt purpose	20,286.	78,615.	108,477.			207,378.
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1-5	20,286.	78,615.	108,477.			207,378.
<b>7a</b> Amounts included on lines 1, 2, 3 received from disqualified persons	0.	0.	0.			0.
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000	20,286.	76,507.	88,542.			185,335.
<b>c</b> Add lines 7a and 7b	20,286.	76,507.	88,542.			185,335.
<b>8 Public support</b> (Subtract line 7c from line 6)						22,043.

**Section B. Total Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6	20,286.	78,615.	108,477.			207,378.
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources		119.	32.			151.
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b		119.	32.			151.
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
<b>13 Total support.</b> (add lns 9, 10c, 11, and 12)						207,529.
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input checked="" type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	<b>18</b>	%

**19a 33-1/3 support tests – 2008.** If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

**b 33-1/3 support tests – 2007.** If the organization did not check a box on line 14 or 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions



Name as Shown on Return  
Magic Box Productions, Inc.

Employer Identification No  
20-2924921

<b>Line 24 - Other Assets:</b>	<b>Beginning of Year</b>	<b>End of Year</b>
Prepaid Expense	191.	
Due from Magic Box Studios, LLC		376.
<b>Totals to Form 990-EZ, Part II, line 24</b>	191.	376.

<b>Line 26 - Total Liabilities:</b>	<b>Beginning of Year</b>	<b>End of Year</b>
Customer Deposit	9,600.	
Due to Magic Box Studios, LLC	2,573.	
Accounts Payable and Accrued Expenses	11,963.	26,339.
<b>Totals to Form 990-EZ, Part II, line 26</b>	24,136.	26,339.

Form 990-EZ, Part I, Line 8

**Other Revenue Statement**

Other revenue (describe)	
Duplication Income	25.
Gallery	693.
Video Production	6,000.
Total	<u>6,718.</u>

Form 990-EZ, Part I, Line 16

**Other Expenses Statement**

Other expenses (describe)	
Miscellaneous	129.
Duplication	293.
Insurance-General Liability	624.
Outside Services	29,786.
Production Expenses	896.
Teaching Expenses:Subcontractor-Teaching	102,888.
Teaching Expenses:Supplies-Teaching	1,542.
Teaching Expenses:Tape-Teaching	659.
Transportation Local Parking+Tolls	1,328.
Advertising	443.
Automobile Expense	113.
Bank Service Charges	155.
Dues and Subscriptions	60.
Meals & Ent	316.
Office Expense	508.
Website	
Travel	363.
Conferences, conventions and meetings	
Interest	3,205.
Small Equipment	1,037.
Show Tickets	22.
Penalties	440.
Repairs	360.
Supplies	900.
Telephone	13.
Total	<u>146,080.</u>

**Supporting Statement of:**

Form 990-EZ/Line 12

Description	Amount
Salaries	31,154.
Payroll Taxes	3,033.
Total	34,187.

**Supporting Statement of:**

Form 990-EZ/Line 15

Description	Amount
Printing & Publications	142.
Postage & Shipping	814.
Total	956.

**Supporting Statement of:**

Other Assets &amp; Liabilities: Form 990-EZ/Line 26 End of Year-3

Description	Amount
Credit Cards	11,838.
Payroll Taxes Payable	115.
Line of Credit	14,386.
Total	26,339.

**Magic Box Productions, Inc.**

**Financial Statements**

**For the Year Ended July 31, 2009**

**PAUL NEWMAN  
CERTIFIED PUBLIC ACCOUNTANT  
88 WOODCUT LANE  
ROSLYN HEIGHTS, NY, 11577**

# 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 reviewed the statement of financial position of Magic Box Productions, Inc. as of July 31, 2009 and the related statements of activities and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Magic Box Productions, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.



Certified Public Accountant

October 30, 2009  
Roslyn Heights, New York



88 Woodcut Lane  
Roslyn Heights, NY 11577

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

PAUL NEWMAN, CPA

**Magic Box Productions, Inc.**  
Statement of Financial Position  
For the Year Ended July 31, 2009

Current Assets:	
Cash in Bank	\$ 4,789
Intercompany Receivable	<u>376</u>
<b>Total Assets</b>	<b><u>\$ 5,165</u></b>
Current Liabilities:	
Credit Cards	\$ 11,838
Line of Credit	14,386
Customer Deposits	-
Intercompany Loan Payable	-
Other Current Liabilities	<u>115</u>
<b>Total Liabilities</b>	<b><u>26,339</u></b>
Net Assets	<u>-21,174</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 5,165</u></b>

See notes to financial statements.

**Magic Box Productions, Inc.**  
Statement of Activities  
For the Year Ended July 31, 2009

**Support and Revenue:**

Program Fees	\$ 165,407
Grants and Contributions	17,329
Video Production And Duplication	6,025
Other Income	<u>693</u>
Total Support and Revenue	<u>189,454</u>

**Expenses:**

Program Services	138,132
Management and General Expenses	<u>52,201</u>
Total Expenses	<u>190,333</u>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	(879)
Net Assets – Beginning of Year	<u>(20,295)</u>
<b>Net Assets – End of Year</b>	<u><u>(21,174)</u></u>

See notes to financial statements.

**Magic Box Productions, Inc.**  
Statement of Cash Flows  
For the Year Ended July 31, 2009

**Cash Flows from Operating Activities:**

Change in Net Assets	<u>\$ (879)</u>
Adjustments to Reconcile Net Assets to Cash Provided (Used) by Operating Activities	
<u>Increase (Decrease) in:</u>	
Current Liabilities	<u>2,203</u>
Net Increase (Decrease) in Cash	1,324
Cash August 1, 2008	<u>3,841</u>
Cash July 31, 2009	<u><u>\$ 5,165</u></u>

See notes to financial statements.

**Magic Box Productions, Inc.**  
Notes to Financial Statements  
For the Year Ended July 31, 2009

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, 2009 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, 2009 there were no assets other than unrestricted net assets.
5. **Donated Services** Unpaid volunteers such as officers, associate artists and committee members donated a significant portion of the corporation's functions. 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. The balance at July 31, 2009 was paid in full.

**Supporting Schedule to Financial Statements**

**Magic Box Productions, Inc.**  
 Schedule of Functional Expenses  
 For the Year Ended July 31, 2009

<b>Functional Expenses:</b>	<b>Total</b>	<b>Program</b>	<b>Administrative</b>
Personal Services	\$ 31,154	\$ 0	\$ 31,154
Payroll Related Expenditures	3,033	0	3,033
Staff Development	60	0	60
Employee Expenses	1,804	1,804	0
Occupancy Expenses	6,722	0	6,722
Supplies and Office Expenses	6,353	2,636	3,717
Purchased Services	134,395	133,692	703
Professional Fees	2,388	0	2,388
Interest & Bank Fees	3,360	0	3,360
Licenses, Permits and Fees	440	0	440
Insurance	<u>624</u>	<u>0</u>	<u>624</u>
<b>Total Functional Expenses</b>	<b><u>\$ 190,333</u></b>	<b><u>\$ 138,132</u></b>	<b><u>\$ 52,201</u></b>