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Short Form Return of Organization Exempt From Income Tax

2009

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)
Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$500,000 and total assets less than \$1,250,000 at the end of the year may use this form.
The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2009 calendar year, or tax year beginning 11-01, 2009, and ending 10-31, 2010

B Check if applicable: Address change, Name change, Initial return, Terminated, Amended return, Application pending. C Name of organization: THE MAGIC PENNY, INC. D Employer identification number: 56-2419098. E Telephone number: (631) 486-3822. F Group Exemption Number.

G Accounting Method: [ ] Cash [X] Accrual Other (specify). H Check [X] if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

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

K Check [X] if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A Form 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts, if \$500,000 or more, file Form 990 instead of Form 990-EZ \$ 19,473

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

Table with 21 rows for revenue and expenses. Includes a 'RECEIVED' stamp dated JUN 13 2011. Total revenue is 19,473 and total expenses are 43,308, resulting in a deficit of 23,835.

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

Table with 7 rows for balance sheets. Total assets at beginning of year are 37,507 and at end of year are 13,672. Net assets at end of year are 13,672.

SCANNED JUN 29 2011

P 1

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

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

What is the organization's primary exempt purpose? PLEASE SEE EXHIBIT A
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

Table with 5 columns: Line number (28-32), Description of program service, Amount in dollars, Foreign grants checkbox, and Expense amount. Includes rows for lines 28, 29, 30, 31, and 32.

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

Table with 5 columns: (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 & deferred compensation, (e) Expense account and other allowances. Includes entries for Lucy Sumner (President), Barbara Fishon (Secretary), and Keni Kallon (Treasurer).

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

Table with 3 main columns: Question, Yes, No. Rows include questions 33-45 regarding IRS reporting, organizational changes, income reporting, political expenditures, liquidation, and donor advised funds.

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

Table with 3 columns: Question (46-49b), Yes, No. Contains questions about political activities, lobbying, school status, and transfers to exempt organizations.

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

Table with 5 columns: (a) Name and address of each employee paid more than \$100,000, (b) Title and average hours per week devoted to position, (c) Compensation, (d) Contributions to employee benefit plans & deferred compensation, (e) Expense account and other allowances. All cells contain 'NONE'.

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

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

Table with 3 columns: (a) Name and address of each independent contractor paid more than \$100,000, (b) Type of service, (c) Compensation. All cells contain 'NONE'.

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

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. Signature of officer: Lucy Sumner, Date: 6-7-11, Type or print name and title: Lucy Sumner, President

Paid Preparer's Use Only: Preparer's signature: [Signature], Date: 06-07-2011, Check if self-employed: [ ], Preparer's Identifying No. (See inst): P00742630, Firm's name (or yours if self-employed), address, and ZIP + 4: SHAIKH AND COMPANY CPAS, 25 NEWBRIDGE ROAD SUITE 208, HICKSVILLE, NY 11801, EIN: 13-3438016, Phone no: 516-495-4512

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



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

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc; 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

Table with 3 columns: Description, Line Number, Percentage. Rows include: 14 Public support percentage for 2009; 15 Public support percentage from 2008 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2009; 16b 33 1/3% support test - 2008; 17a 10%-facts-and-circumstances test - 2009; 17b 10%-facts-and-circumstances test - 2008; 18 Private foundation.

**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 year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants") . . . . .	12,389	18,244	12,740	11,347		54,720
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .						
3 Gross receipts from activities that are not an unrelated trade or bus under sec 513 . . . . .						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
5 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
6 Total. Add lines 1 through 5 . . . . .	12,389	18,244	12,740	11,347		54,720
7a Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year . . . . .						
c Add lines 7a and 7b . . . . .						
8 Public support (Subtract line 7c from line 6) . . . . .						54,720

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6 . . . . .	12,389	18,244	12,740	11,347		54,720
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
c Add lines 10a and 10b . . . . .						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) . . . . .						
13 Total support. (Add lines 9, 10c, 11, and 12) . . . . .						54,720

14 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**

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f)) . . . . .	15	100.00	%
16 Public support percentage from 2008 Schedule A, Part III, line 15 . . . . .	16		%

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

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f)) . . . . .	17		%
18 Investment income percentage from 2008 Schedule A, Part III, line 17 . . . . .	18		%

19a 33 1/3% support tests - 2009. 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 - 2008. If the organization did not check a box on line 14 or line 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 . . . . .

Federal Supporting Statements

2009

Name(s) as shown on return

FEIN

Form 990EZ, Part I, Line 10  
Grants and Similar Amounts Paid Schedule

Statement #122

		<u>Amount</u>	<u>Relationship</u>
Activity	School - Sierra Leone	37,600	DONOR
Grantee	The Magic Penny		
Address	One Main Motor Road, Congo Cross Freetown, Sierra Leone		
	Total	<u>37,600</u>	

Form 990EZ, Part I, Line 16  
Other Expenses Schedule 2

<u>Description</u>	<u>Amount</u>
Promotion	2,965
Office Expenses and Supplies	939
Bank Charges	216
NYS Filing Fee	25
Total	<u>4,145</u>

## **EXHIBIT A**

### **Organization's primary exempt purpose**

To provide financial support and/or contributions for the establishment and maintenance of:

1. Programs in the Bompehtoke (Sierra Leone) region which promote primary education for all village children.
2. Technical programs which will ensure the provision of potable water programs that will promote agriculture.
3. Programs that will promote jobs for rural dwellers

# Application for Extension of Time to File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

► **File a separate application for each return.**

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

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

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

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

<b>Type or print</b> File by the due date for filing your return. See instructions	Name of Exempt Organization <b>THE MAGIC PENNY, INC.</b>	Employer identification number <b>56-2419098</b>
	Number, street, and room or suite no. If a P O box, see instructions <b>24 ELDORADO DRIVE</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>EAST NORTHPORT, NY 11731</b>	

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

- |   |  |                                    |
|---|--|------------------------------------|
| <input type="checkbox"/> Form 990               | <input type="checkbox"/> Form 990-T (corporation)                | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL            | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input checked="" type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above)     | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF            | <input type="checkbox"/> Form 1041-A                             | <input type="checkbox"/> Form 8870 |

● The books are in the care of ► **LUCY SUMNER 24 ELDORADO DRIVE, NY 11731**

Telephone No ► **631-486-3822**

FAX No ► \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 06-15, 20 11, to file the exempt organization return for the organization named above. The extension is for the organization's return for

►  calendar year 20\_\_ or

►  tax year beginning 11-01, 20 09, and ending 10-31, 20 10

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

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

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

**THE MAGIC PENNY, INC.  
FINANCIAL STATEMENTS  
(COMPILATION)  
OCTOBER 31, 2010**

**SHAIKH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
25 NEWBRIDGE ROAD, SUITE 208  
HICKSVILLE, NEW YORK 11801**

THE MAGIC PENNY, INC.  
OCTOBER 31, 2010

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**SHAIKH & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**

---

**25 NEWBRIDGE ROAD, SUITE 208**  
**HICKSVILLE, N.Y. 11801**  
**TEL:(212) 868-6666 & (516) 495-4512**  
**FAX:(516) 495-4702**

To The Board of Directors  
The Magic Penny, Inc.  
24 Eldorado Drive  
E. Northport, N.Y. 11731

We have compiled the accompanying statement of financial position of The Magic Penny, Inc. (a Not-for-Profit Organization) as of October 31, 2010 and the related statements of activities and functional expenses for the year then ended, in accordance with standards established 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 financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

June 7, 2011  
Hicksville, New York

  

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Certified Public Accountants

**THE MAGIC PENNY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF OCTOBER 31, 2010**

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**ASSETS**

**CURRENT ASSETS:**

Cash & Cash Equivalents	\$ 13,672
<i>TOTAL CURRENT ASSETS</i>	<u>13,672</u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>13,672</u></u></b>

**LIABILITIES & NET ASSETS**

**NET ASSETS:**

Net Assets	
Restricted - For Vehicle Purchase in Sierra Leone	\$ 1,500
Unrestricted	<u>12,172</u>
<i>Total Net Assets</i>	<b>\$ <u>13,672</u></b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ <u><u>13,672</u></u></b>

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See accountant's compilation report

**THE MAGIC PENNY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED OCTOBER 31, 2010**

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**REVENUES:**

Contributions, Cash & Cash Equivalent	\$	19,438	
Interest Income		<u>35</u>	
<i>TOTAL REVENUES</i>			\$ 19,473

**EXPENSES:**

Program Services.			
Direct Program Cost-The Magic Penny, Sierra Leone	\$	37,600	
Direct Program Cost-Supplies		778	
Support Services.			
Fund Raising Expenses <sup>1</sup>	\$	4,689	
Management & General Expenses <sup>2</sup>		<u>241</u>	
<i>TOTAL EXPENSES</i>			<u>43,308</u>
DECREASE IN NET ASSETS			<u>(23,835)</u>
NET ASSETS AT THE BEGINNING OF THE YEAR			<u>37,507</u>
NET ASSETS AT THE END OF THE YEAR	\$		<u><u>13,672</u></u>

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See accountant's compilation report

**THE MAGIC PENNY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**AS OF OCTOBER 31, 2010**

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**1. FUND RAISING EXPENSES:**

Promotion	\$	2,965
Postage		148
Printing		415
Office Expenses & Supplies		161
Professional Fees		<u>1,000</u>
<b>Total</b>		<u><u>4,689</u></u>

**2. MANAGEMENT & GENERAL EXPENSES:**

Bank Charges	\$	216
NYS Filing Fee		<u>25</u>
<b>Total</b>	<b>\$</b>	<u><u>241</u></u>

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See accountant's compilation report

**THE MAGIC PENNY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF OCTOBER 31, 2010**

**Note 1. Organization:**

The Magic Penny, Inc. (the "Organization") was incorporated on November 20, 2003 under the laws of State of New York. The Magic Penny, Inc. is a not-for-profit 501c(3) organization created to develop and implement individualized self-sufficiency actions plans that empower six rural communities in Sierra Leone, West Africa by building a K-5 primary school; wells and sanitary facilities; and a community center that will house cottage industries, encourage social networking, and provide adult and health education.

**Note 2. Method of Accounting:**

The Organization has adopted the accrual basis of accounting for financial reporting purposes, which is in conformity with generally accepted accounting principles. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.