

Form **990-EZ**

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

OMB No. 1545-1150

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 01/01, **2009, and ending** 12/31, **20** 09

- B** Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
CHARITY MUSIC INC
 Number and street (or P.O. box, if mail is not delivered to street address) Room/suite
14975 Congress Dr
 City or town, state or country, and ZIP + 4
Sterling Heights, MI 48313-4420

D Employer identification number
20-2155382
E Telephone number
586-247-7444
F Group Exemption Number ▶ **5013**

• 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: ▶ <http://www.charitymusic.org>

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

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

K Check ▶ if the organization is not a section 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than \$25,000. A 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 ▶ \$ **46,424**

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

		Revenue		Expenses		Net Assets	
	1	Contributions, gifts, grants, and similar amounts received	1	46,424			
	2	Program service revenue including government fees and contracts	2	0			
	3	Membership dues and assessments	3	0			
	4	Investment income	4	0			
	5a	Gross amount from sale of assets other than inventory	5a	0			
	b	Less: cost or other basis and sales expenses	5b	0			
	c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	0			
	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 \$ <u>0</u> of contributions reported on line 1)	6a	0			
	b	Less: direct expenses other than fundraising expenses	6b	0			
	c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c	0			
	7a	Gross sales of inventory, less returns and allowances	7a	0			
	b	Less: cost of goods sold	7b	0			
	c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	0			
	8	Other revenue (describe ▶ _____)	8	0			
	9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8 ▶	9	46,424			
	10	Grants and similar amounts paid (attach schedule)	10	1,550			
	11	Benefits paid to or for members	11	0			
	12	Salaries, other compensation, and employee benefits	12	0			
	13	Professional fees and other payments to independent contractors	13	0			
	14	Occupancy, rent, utilities, and maintenance	14	5,428			
	15	Printing, publications, postage, and shipping	15	2,659			
	16	Other expenses (describe ▶ <u>See Statement 1</u>)	16	7,879			
	17	Total expenses. Add lines 10 through 16 ▶	17	17,516			
	18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18	28,908			
	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	61,300			
	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 through 20 ▶	21	90,208			

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

(See the instructions for Part II.)

		(A) Beginning of year	(B) End of year
22	Cash, savings, and investments	2,960	4,460
23	Land and buildings	52,000	51,700
24	Other assets (describe ▶ <u>See Statement 2</u>)	6,340	34,048
25	Total assets	61,300	90,208
26	Total liabilities (describe ▶ _____)	0	0
27	Net assets or fund balances (line 27 of column (B) must agree with line 21)	61,300	90,208

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

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		✓
34	Were any changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the changes		✓
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T.		
a	Did the organization have unrelated business gross income of \$1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements?		✓
b	If "Yes," has it filed a tax return on Form 990-T for this year?		
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N		✓
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a 0		
b	Did the organization file Form 1120-POL for this year?		✓
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the period covered by this return?		✓
b	If "Yes," complete Schedule L, Part II and enter the total amount involved 38b		
39	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on line 9 39a		
b	Gross receipts, included on line 9, for public use of club facilities 39b		
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0		
b	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		✓
c	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0		
d	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization ▶ 0		
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.		✓
41	List the states with which a copy of this return is filed. ▶ MI		
42a	The organization's books are in care of ▶ Roger A Fachini Sr Telephone no. ▶ 586-247-7444 Located at ▶ 14975 Congress Dr, Sterling Heights, MI 48313-4420 ZIP + 4 ▶ 48313-4420		
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, Report of Foreign Bank and Financial Accounts .		
c	At any time during the calendar year, did the organization maintain an office outside of the U.S.?		✓
	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 ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43		
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ		✓
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		✓

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

- | | Yes | No |
|--|------------|-------------------------------------|
| 46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I | 46 | <input checked="" type="checkbox"/> |
| 47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II | 47 | <input checked="" type="checkbox"/> |
| 48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | 48 | <input checked="" type="checkbox"/> |
| 49a Did the organization make any transfers to an exempt non-charitable related organization? | 49a | <input checked="" type="checkbox"/> |
| b If "Yes," was the related organization a section 527 organization? | 49b | <input type="checkbox"/> |
- 50** Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

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

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

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

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

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

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

Sign Here

▶ _____ Date _____
 Signature of officer

▶ **Roger Fachini, President**
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ _____ Date _____ Check if self-employed Preparer's identifying number (See instructions) _____

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ _____ EIN ▶ _____ Phone no. ▶ _____

May the IRS discuss this return with the preparer shown above? See instructions ▶ Yes 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

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.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%
16a 33 1/3 % support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 33 1/3 % support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
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 ▶ <input type="checkbox"/>		

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.")	0	0	0	62,549	46,424	108,973
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	0	0	0	0		0
3 Gross receipts from activities that are not an unrelated trade or business under section 513	0	0	0	0		0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0	0		0
5 The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0	0		0
6 Total. Add lines 1 through 5	0	0	0	62,549	46,424	108,973
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	0	0	0	0		0
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	0	0	0	0		0
c Add lines 7a and 7b	0	0	0	0	0	0
8 Public support (Subtract line 7c from line 6.)						108,973

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	0	0	0	62,549	46,424	108,973
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	0	0	0	0		0
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975	0	0	0	0		0
c Add lines 10a and 10b	0	0	0	0	0	0
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on	0	0	0	0		0
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	0	0	0	0		0
13 Total support. (Add lines 9, 10c, 11, and 12.)	0	0	0	62,549	46,424	108,973

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 %
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	100 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	0 %
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	0 %

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 ▶

Statement 1 : Other Expenses Schedule

Statement 2 : Other Assets

Statement 3 : Program Service Accomplishments

Statement 4 : Officers, Directors, Trustees and Key Employees Compensation

Statement 1

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Line Number: Part I Line 16

CHARITY MUSIC INC

20-2155382

Other Expenses Schedule

Description	Amount
Membership Dues and Insurance	\$3,459
Website Hosting and Maintenance	\$2,416
Storage Rental	\$232
Volunteer Service Awards Gala Deposit	\$1,500
Conferences, Conventions and Meetings	\$272
Total:	\$7,879

Statement 2

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Line Number: Part II Line 24

CHARITY MUSIC INC

20-2155382

Other Assets

Description	BOY Amount	EOY Amount
Instrument & Sheet Music Inventories for Sale or Use	\$6,340	\$34,048
Total:	\$6,340	\$34,048

Statement 3

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Line Number: Part III Line 28

CHARITY MUSIC INC

20-2155382

Program Service Accomplishments

Achievement	Grants And Allocations	includes Foreign Grants	Program Service Expenses
The Musical Instrument Loan Program provided Musical Instruments to 26 at risk and disadvantaged youth. The Charity Music Adopt A School program provided instruments to implement a music program at George Washington Carver Academy in Highland Park Michigan. Also provided 75 student desks and a live webcast of the school open house for viewing by parents that could not attend.	\$5,600		\$6,782
Launched the Charity Music Library which provides Sheet Music, Music Books, and various training aides at no charge. Library currently contains over 1500 items. Obtained pre preliminary site plan approval for a 15,000 square foot facility to be constructed on 4.7 acres of donated land in Sterling Heights Michigan. The Musical Instrument Repair and Training Center will contain the Music Library, Vintage Musical Instrument Exhibit, Community Recording Studio, and several class rooms.	\$1,600		\$2,300
Volunteer Promotion Programs, General/Other: The various Charity Music Volunteer Opportunity programs provided tasks for 76 volunteers to participate in both Student Volunteer, and Court Mandated Community Service. Upon completion we hope to have Charity Music College Campus Liaisons throughout the nation. As a certifying organization for the President's Volunteer Service Award program, Charity Music assisted in providing awards to 28 volunteers.	\$250		\$2,859
Total:			\$11,941

Statement 4

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Line Number: Part IV

CHARITY MUSIC INC**20-2155382****Officers, Directors, Trustees and Key Employees Compensation**

Name and address	Title and Hours	Compensation	Benefits	Expense
Russell Donelson 14975 Congress Dr Sterling Heights, MI 48313-4420	Treasurer 5.00	\$0	\$0	\$0
William Santilli 14975 Congress Dr Sterling Heights, MI 48313-4420	Secretary 5.00	\$0	\$0	\$0
Teddy C Collins 14975 Congress Dr Sterling Heights, MI 48313-4420	Vice President 10.00	\$0	\$0	\$0
Roger A Fachini Sr 14975 Congress Dr Sterling Heights, MI 48313-4420	President / CEO 40.00	\$0	\$0	\$0
Joseph Kiernicki 14975 Congress Dr Sterling Heights, MI 48313-4420	Boardmember 5.00	\$0	\$0	\$0
Lisa Robertson 14975 Congressv Drive Sterling Heights, MI 48313	Board Member 10	\$0	\$0	\$0
Brian Harris 14975 Congress Drive Sterling Heights, MI 48313	Board Member 10	\$0	\$0	\$0
Total:		\$0	\$0	\$0