Form **990**

Department of the Treasury
Internal Revenue Service

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)

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

OMB No. 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning and ending

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

C Name of organization
PENCILS OF PROMISE INCORPORATED

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) | Room/suite
17 MEADOW PLACE

City or town, state or country, and ZIP + 4
OLD GREENWICH, CT 06870

D Employer identification number
26-3618722

E Telephone number
212-777-3170

G Gross receipts $ 2,327,937.

F Name and address of principal officer: ADAM BRAUN
SAME AS C ABOVE

H(a) Is this a group return for affiliates? ☐ Yes ☒ No
H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.PENCILSOFPROMISE.ORG

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 2008 M State of legal domicile: CT

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: PENCILS OF PROMISE BELIEVES EVERY CHILD SHOULD HAVE ACCESS TO QUALITY EDUCATION. WE CREATE

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	10
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	19
6	Total number of volunteers (estimate if necessary)	6	25
7 a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	1,396,917.	2,224,168.
	9	Program service revenue (Part VIII, line 2g)	0.	0.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	12.	631.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	29,899.	-72,587.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,426,828.	2,152,212.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	112,576.	159,407.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	113,974.	485,106.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 161,738.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	210,942.	764,676.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	437,492.	1,409,189.
	19	Revenue less expenses. Subtract line 18 from line 12	989,336.	743,023.
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	1,081,446.	1,837,873.
	21	Total liabilities (Part X, line 26)	13,174.	26,578.
	22	Net assets or fund balances. Subtract line 21 from line 20	1,068,272.	1,811,295.

Part II Signature Block

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 | Date

▶ ADAM BRAUN, PRESIDENT & EXECUTIVE DIRECTOR
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
ROBIN STRONG				P00713382

Firm's name ▶ O'CONNOR DAVIES MUNNS & DOBBINS, LLP — Firm's EIN ▶ 13-3385019

Firm's address ▶ ONE STAMFORD LANDING
STAMFORD, CT 06902 — Phone no. 203-323-2400

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:
SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 889,300. including grants of $ 156,101.) (Revenue $)
PROJECT BUILDS: IN 2011, PROGRAM SERVICES INCLUDED SETTING UP OPERATIONS IN GUATEMALA AS WELL AS PLANNING, BUILDING AND COMPLETING 25 NEW SUSTAINABLE SCHOOLS ACROSS LAOS, NICARAGUA AND GUATEMALA. IN EACH OF THE THREE COUNTRIES, OPERATIONS EXPANDED TO ALLOW POP'S FOOTPRINT TO COVER GREATER AREAS OF NEED AND BRING EDUCATION TO SEVERAL NEW DESERVING COMMUNITIES.

4b (Code:) (Expenses $ 245,018. including grants of $) (Revenue $)
YOUTH & PROFESSIONAL INITIATIVES: POP CONTINUED TO IMPACT BOTH DOMESTIC AND INTERNATIONAL YOUTH AND PROFESSIONAL COMMUNITIES BY CREATING GLOBAL COMMUNITIES DEDICATED TO BRINGING EDUCATION TO ALL. IT ACHIEVED THIS THROUGH A SUCCESSFUL YEAR ROUND INTERNSHIP PROGRAM INVOLVING 75 DIFFERENT STUDENTS, THE DEVELOPMENT AND IMPLEMENTATION OF A SISTER SCHOOL PROGRAM THAT PAIRS U.S. SCHOOLS WITH POP'S SCHOOLS IN LAOS, NICARAGUA AND GUATEMALA AND A DIGITAL PRESENCE THAT UTLIZES ALL SPHERES OF SOCIAL MEDIA AND THE INTERNET.

4c (Code:) (Expenses $ 14,568. including grants of $) (Revenue $)
PROJECT SUSTAINABILITY: TO BEST JUDGE HOW EFFECTIVE OUR IMPACT IS, WE CLOSELY MONITOR AND EVALUATE (M&E) OUR PROGRAMS ON THE GROUND. IN 2011, POP SUPPORTED ITS 23 ALREADY EXISTING STRUCTURES BY CONTINUALLY VISITING EACH COMMUNITY, CHECKING IN ON THE SCHOOLS AND ENSURING THAT ALL STRUCTURES AND STUDENTS WERE WELL EQUIPPED. WE HAVE LOCAL M&E TEAMS WHO CONDUCT INTERVIEWS AND SURVEYS WITH VILLAGE LEADERS, TEACHERS, STUDENTS, AND PARENTS. THIS HELPS US TO UNDERSTAND THE NEEDS OF VILLAGES IN WHICH WE OPERATE, OUR IMPACT ON THE COMMUNITY, AND AREAS IN WHICH WE CAN IMPROVE POP OPERATIONS AND PROGRAMMING. POP ALSO CONTINUED TO DEVELOP AND IMPLEMENT ITS S.H.I.N.E. PROGRAM THAT TEACHES SCHOOL COMMUNITIES THE IMPORTANCE OF SANITATION, HEALTH, IDENTITY, NUTRITION AND THE ENVIRONMENT.

4d Other program services (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 1,148,886.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
3	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*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	X	
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization 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*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a	X	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	0		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	19		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a			X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
4a	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)?	4a			X
b	If "Yes," enter the name of the foreign country: ▶				
	See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b			

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI ..... [X]

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	10		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6			X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ AL,AK,AR,CA,CO,CT,FL,GA,HI,IL,KS,MA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

[X] Own website [X] Another's website [X] Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

TOM CASAZZONE - 212-777-3170

37 WEST 28TH STREET, 3RD FLOOR, NEW YORK, NY 10001

SEE SCHEDULE O FOR FULL LIST OF STATES

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) ADAM BRAUN PRESIDENT & EXECUTIVE DIRE	60.00	X		X				99,500.	0.	4,176.
(2) LIBBIE FRITZ DIRECTOR	1.00	X						0.	0.	0.
(3) SCOTT MANSON DIRECTOR	1.00	X						0.	0.	0.
(4) BRAD HAUGEN CHAIRMAN	5.00	X		X				0.	0.	0.
(5) MICHAEL WEISS TREASURER	1.00	X		X				0.	0.	0.
(6) KAREN HARRIS DIRECTOR	1.00	X						0.	0.	0.
(7) RICHARD LENT DIRECTOR	1.00	X						0.	0.	0.
(8) HOPE TAITZ DIRECTOR	1.00	X						0.	0.	0.
(9) JAY WOLFF DIRECTOR	1.00	X						0.	0.	0.
(10) RAHUL TEJWANI SECRETARY & CHIEF OPERATIN	50.00			X				23,667.	0.	2,687.

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position: Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
1b Sub-total ▶								123,167.	0.	6,863.
c Total from continuation sheets to Part VII, Section A ▶								0.	0.	0.
d Total (add lines 1b and 1c) ▶								123,167.	0.	6,863.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address NONE	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 0

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c 600,205.				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 1,623,963.				
	g Noncash contributions included in lines 1a-1f: $ 87,977.					
	h **Total.** Add lines 1a-1f ▶		2,224,168.			
Program Service Revenue		Business Code				
	2a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f ▶					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		631.			631.
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real / (ii) Personal				
	6a Gross rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶					
	7a Gross amount from sales of assets other than inventory	(i) Securities / (ii) Other				
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) ▶					
	8a Gross income from fundraising events (not including $ 600,205. of contributions reported on line 1c). See Part IV, line 18	a 98,153.				
	b Less: direct expenses	b 175,725.				
	c Net income or (loss) from fundraising events ▶		-77,572.			-77,572.
	9a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Business Code				
	11a MERCHANDISE SALES	452000	4,985.			4,985.
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d ▶		4,985.			
	12 **Total revenue.** See instructions. ▶		2,152,212.	0.	0.	-71,956.

132009 01-23-12

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	159,407.	159,407.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	130,030.	102,707.	11,772.	15,551.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	296,339.	179,836.	42,132.	74,371.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	22,149.	14,676.	2,800.	4,673.
10 Payroll taxes	36,588.	24,247.	4,625.	7,716.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	10,950.		10,950.	
12 Advertising and promotion	76,864.	40,348.	423.	36,093.
13 Office expenses	41,069.	20,383.	12,766.	7,920.
14 Information technology				
15 Royalties				
16 Occupancy	37,399.	24,683.	4,862.	7,854.
17 Travel	89,601.	87,382.	1,603.	616.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	96,809.	96,518.	97.	194.
23 Insurance	3,093.		3,093.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a SCHOOL AND CONSTRUCTION	351,885.	351,885.		
b MISCELLANEOUS	23,985.	15,442.	3,442.	5,101.
c SCHOOL SUSTAINABILITY C	14,568.	14,568.		
d OUTREACH	8,690.	8,690.		
e All other expenses	9,763.	8,114.		1,649.
25 **Total functional expenses.** Add lines 1 through 24e	1,409,189.	1,148,886.	98,565.	161,738.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

DRAFT

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	344,141.	1	1,408,113.
	2	Savings and temporary cash investments	752.	2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	457,313.	4	68,060.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	5,015.
	9	Prepaid expenses and deferred charges	19,347.	9	23,370.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a 415,897.			
	b	Less: accumulated depreciation — 10b 118,392.	256,893.	10c	297,505.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	3,000.	15	35,810.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	1,081,446.	16	1,837,873.
Liabilities	17	Accounts payable and accrued expenses	13,174.	17	26,578.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26	**Total liabilities.** Add lines 17 through 25	13,174.	26	26,578.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	618,011.	27	1,572,707.
	28	Temporarily restricted net assets	450,261.	28	238,588.
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	1,068,272.	33	1,811,295.
	34	Total liabilities and net assets/fund balances	1,081,446.	34	1,837,873.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI [ ]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,152,212.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,409,189.
3	Revenue less expenses. Subtract line 2 from line 1	3	743,023.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,068,272.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	1,811,295.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII [X]

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other ________ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: [X] Separate basis [ ] Consolidated basis [ ] Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

Form **990** (2011)

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization PENCILS OF PROMISE INCORPORATED

Employer identification number 26-3618722

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: (For lines 1 through 11, check only one box.)

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 a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

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 [X] 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).**

11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to 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 it 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
(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?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the supported organization(s).

(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	
Total									

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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")		58,772.	57,765.	1396917.	2224168.	3737622.
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		58,772.	57,765.	1396917.	2224168.	3737622.
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)						626,005.
6 **Public support.** Subtract line 5 from line 4.						3111617.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4		58,772.	57,765.	1396917.	2224168.	3737622.
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						3737622.

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

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) .... 14 83.25 %

15 Public support percentage from 2010 Schedule A, Part II, line 14 .... 15 %

16a **33 1/3% support test - 2011.** 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 .... ▶ [X]

b **33 1/3% support test - 2010.** 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 - 2011.** 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 - 2010.** 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 or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
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 business under section 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						
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.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
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.)						

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 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2011.** 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 - 2010.** 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 ▶ ☐

Schedule A — Identification of Excess Contributions Included on Part II, Line 5 — 2011

** Do Not File **
*** Not Open to Public Inspection ***

Contributor's Name	Total Contributions	Excess Contributions
GUTHY-RENKER LLC	300,000.	225,248.
GOOGLE, INC.	100,000.	25,248.
AEG LIVE	450,261.	375,509.

Total Excess Contributions to Schedule A, Part II, Line 5 .... 626,005.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: PENCILS OF PROMISE INCORPORATED

Employer identification number: 26-3618722

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ ______

4 Number of states where property subject to conservation easement is located ▶ ______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ ______

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

(ii) Assets included in Form 990, Part X ▶ $ ______

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

b Assets included in Form 990, Part X ▶ $ ______

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ ______ %

b Permanent endowment ▶ ______ %

c Temporarily restricted endowment ▶ ______ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other		415,897.	118,392.	297,505.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				297,505.

Schedule D (Form 990) 2011

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Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	2,152,212.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,409,189.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	743,023.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	743,023.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	2,190,080.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b	37,868.		
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	37,868.
3	Subtract line **2e** from line **1**			3	2,152,212.
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	0.
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	2,152,212.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	1,447,057.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	37,868.		
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	37,868.
3	Subtract line **2e** from line **1**			3	1,409,189.
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	0.
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	1,409,189.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2: THE ORGANIZATION RECOGNIZES THE EFFECT OF TAX POSITIONS WHEN THEY ARE MORE LIKELY THAN NOT TO BE SUSTAINED. MANAGEMENT HAS DETERMINED THAT THE ORGANIZATION HAD NO UNCERTAIN TAX POSITIONS THAT WOULD REQUIRE FINANCIAL STATEMENT RECOGNITION. TAX RETURNS SINCE THE ORGANIZATION'S INCEPTION IN 2008 REMAIN SUBJECT TO EXAMINATIONS BY APPLICABLE TAXING JURISDICTIONS.

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open To Public Inspection

Name of the organization: PENCILS OF PROMISE INCORPORATED

Employer identification number 26-3618722

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☐ Mail solicitations
- b ☐ Internet and email solicitations
- c ☐ Phone solicitations
- d ☐ In-person solicitations
- e ☐ Solicitation of non-government grants
- f ☐ Solicitation of government grants
- g ☐ Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col. **(i)**	**(vi)** Amount paid to (or retained by) organization
Total ▶						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		GALA (event type)	WHITE PARTY (event type)	1 (total number)	
Revenue	1 Gross receipts	672,221.	18,202.	7,935.	698,358.
	2 Less: Charitable contributions	594,995.	1,310.	3,900.	600,205.
	3 Gross income (line 1 minus line 2)	77,226.	16,892.	4,035.	98,153.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	109,774.	3,000.		112,774.
	7 Food and beverages	7,560.		1,464.	9,024.
	8 Entertainment				
	9 Other direct expenses	51,179.	1,638.	1,110.	53,927.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(175,725.)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				-77,572.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

9 Enter the state(s) in which the organization operates gaming activities: ____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: ____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: ____

11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility 13a %

b An outside facility 13b %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ ________ and the amount of gaming revenue retained by the third party ▶ $ ________ .

c If "Yes," enter name and address of the third party:

Name ▶

Address ▶

16 Gaming manager information:

Name ▶

Gaming manager compensation ▶ $

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: PENCILS OF PROMISE INCORPORATED

Employer identification number 26-3618722

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed ▶ [ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MAYAN FAMILIES 2609 HARTFORD STREET SAM DIEGO, CA 92110	20-8433997	501(C)(3)	19,577.	0.			GRANT IS PART OF A PARTNERSHIP TO BUILD SCHOOLS IN GUATEMALA.
SEEDS OF LEARNING PO BOX 2107 SONOMA, CA 95476	20-0900415	501(C)(3)	139,830.	0.			GRANT IS PART OF A PARTNERSHIP TO BUILD SCHOOLS IN NICARAGUA.

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 2.

3 Enter total number of other organizations listed in the line 1 table ▶ 0.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule I (Form 990) (2011)**

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047
2011
Open To Public Inspection

Name of the organization: PENCILS OF PROMISE INCORPORATED
Employer identification number: 26-3618722

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ $

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Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total ▶ $										

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
RICHARD LENT	RICHARD LENT IS A M	0.	RICHARD LEN		X

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: RICHARD LENT

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

RICHARD LENT IS A MEMBER OF THE BOARD OF DIRECTORS OF PENCILS OF PROMISE.

(D) DESCRIPTION OF TRANSACTION: RICHARD LENT IS ALSO THE CEO OF AGENCYNET, AN ADVERTISING AND MARKETING AGENCY. AGENCYNET DEVELOPED OUR NEW WEBSITE AND PROVIDED OVER $125,000 IN PRO-BONO SERVICES TO OUR ORGANIZATION IN THE RESEARCH, DESIGN AND DEVELOPMENT OF THE WEBSITE.

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No. 1545-0047
2011
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Name of the organization: PENCILS OF PROMISE INCORPORATED
Employer identification number: 26-3618722

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded				
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (WEBSITE COSTS)	X	1	125,843.	
26 Other ▶ ( )				
27 Other ▶ ( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31		X
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		X
b	If "Yes," describe in Part II.			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047
2011
Open to Public Inspection

Name of the organization	Employer identification number
PENCILS OF PROMISE INCORPORATED	26-3618722

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:
SCHOOLS, PROGRAMS AND GLOBAL COMMUNITIES AROUND THE COMMON GOAL OF EDUCATION FOR ALL.

FORM 990 PART III LINE 1
AT POP, WE BELIEVE EVERY CHILD DESERVES ACCESS TO QUALITY EDUCATION. WE CREATE SCHOOLS, PROGRAMS AND GLOBAL COMMUNITIES AROUND THE COMMON GOAL OF EDUCATION FOR ALL. WE ACCOMPLISH THESE ACTIVITIES BY DEDICATING SIGNIFICANT AMOUNTS OF TIME, LABOR AND EFFORT RAISING MONEY IN THE U.S. THROUGH YOUTH AND PROFESSIONAL ENGAGEMENT PROGRAMS AND SPECIAL EVENTS. THE FUNDS RAISED ALLOW US TO INCREASE OUR DOMESTIC AND INTERNATIONAL REACH AND IMPACT.

AT THE CONCLUSION OF 2011, WE HAD 50 COMPLETED PROJECTS ACROSS THE THREE COUNTRIES OF LAOS, GUATEMALA AND NICARAGUA. OUR SCHOOLS, DORMS AND LEARNING CENTERS ARE OPEN TO STUDENTS IN EACH COUNTRY AND THE STAGES OF PLANNING AND CONSTRUCTION ARE UNDERWAY IN SEVERAL NEW COMMUNITIES TO AID IN EXPANDING OUR REACH IN 2012.

AT POP WE FOCUS ON BUILDING STRONG STRUCTURES AND SUSTAINABLE EDUCATION PROGRAMS. BY FORMING LONG-LASTING, COLLABORATIVE RELATIONSHIPS WITH COMMUNITIES, WE INCREASE ACCESS TO QUALITY EDUCATION AND POSITIVELY IMPACT STUDENTS AND PARENTS IN HIGH-NEED COMMUNITIES THROUGHOUT LAOS, NICARAGUA, AND GUATEMALA.

THE FIRST STEP TO OUR APPROACH IS TO IDENTIFY SITES TO BUILD NEW

Name of the organization: PENCILS OF PROMISE INCORPORATED

Employer identification number: 26-3618722

EDUCATIONAL STRUCTURES. TO SCOUT OUT POTENTIAL SITES FOR NEW POP SCHOOLS, WE SEND A LOCAL TEAM INTO COMMUNITIES TO SPEAK WITH DOZENS OF SCHOOL DIRECTORS, VILLAGE LEADERS, PARENTS, AND STUDENTS TO FIND THE VILLAGES OF HIGHEST NEED THAT COULD BEST USE OUR SUPPORT. WE TAILOR OUR VILLAGE APPROACH PROTOCOLS TO THE LOCAL CULTURES AND REGIONS TO ENSURE A COLLABORATIVE, PRODUCTIVE RELATIONSHIP WITH LOCAL LEADERS. ONCE OUR LOCAL TEAM HAS DETERMINED THAT THERE IS POTENTIAL FOR POP TO BUILD IN A VILLAGE, THEY COMPLETE A VILLAGE PROFILE WHICH ASSESSES THE COMMUNITY ON FIVE CRITERIA: NEED, SUSTAINABILITY, COST EFFICIENCY, IMPACT, AND COMMITMENT. THE VILLAGE PROFILE ALSO DETAILS THE SIZE AND TYPE OF STRUCTURE THE COMMUNITY REQUIRES.

POP REINFORCES COMMUNITY ENGAGEMENT BY REMINDING EACH COMMUNITY THAT THE SCHOOL WE BUILD TOGETHER IS THEIRS, NOT OURS. WE ARE NOT DONORS, THEY ARE NOT RECIPIENTS; WE ARE PARTNERS. WE WORK WITH THE COMMUNITY OVER THE COURSE OF A NUMBER OF MEETINGS TO IDENTIFY EXACTLY WHAT TYPE OF PROJECT WILL ADDRESS THE GREATEST EDUCATIONAL NEED IN THE VILLAGE. IT IS IMPORTANT THAT THE PARAMETERS OF THE PROJECT COME FROM THE COMMUNITY MEMBERS THEMSELVES. ONE OF THE WAYS THROUGH WHICH VILLAGES SHOW THE NECESSARY COMMITMENT TO EDUCATION IS THE CREATION OF A PROMISE COMMITTEE OF EIGHT INDIVIDUALS, COMPRISED OF FOUR MEN AND FOUR WOMEN REPRESENTATIVE OF THE COMMUNITY. THIS COMMITTEE SIGNS A CONTRACT AGREEING TO OVERSEE THE SUPPORT AND MAINTENANCE OF THEIR SCHOOL THROUGH EACH PHASE OF THE PROCESS, FROM CLEARING THE LAND AND ORGANIZING COMMUNITY LABOR AND MATERIALS TO ENCOURAGING ATTENDANCE AND SUPPORTING THE TEACHER. POP WORKS WITH THE MINISTRY OF EDUCATION TO ENSURE THAT THE VILLAGE HAS A TEACHER FOR EVERY NEW CLASSROOM BUILT. THIS COLLABORATION WITH THE MINISTRY ALLOWS POP TO OPERATE WITH GOVERNMENT SUPPORT ACROSS ITS REGIONS OF IMPACT.

Name of the organization: PENCILS OF PROMISE INCORPORATED

Employer identification number: 26-3618722

OUR SECOND STEP FOCUSES ON BUILDING WITH LOCAL LABOR, MATERIALS AND IN CONJUNCTION WITH THE COMMUNITY. AS PART OF THE LOCAL BUY-IN, EACH VILLAGE CONTRIBUTES 10-20% OF THE TOTAL CONSTRUCTION COST IN THE FORM OF LABOR AND LOCAL MATERIALS. THEY DEDICATE THEIR TIME AND THEIR GOODS TO THE CREATION OF THESE NEW EDUCATIONAL FACILITIES, ENSURING THAT IT IS NOT A HANDOUT, BUT RATHER A STANDING SOURCE OF LOCAL PRIDE. THE REMAINING MATERIALS ARE SOUGHT OUT LOCALLY, INJECTING MONEY INTO THE LOCAL ECONOMY AND CREATING MINIMAL ENVIRONMENTAL IMPACT THROUGHOUT THE PROCESS.

NEXT, WE PROVIDE ONGOING SUPPORT AND SUSTAINABLE PROGRAMS TO OUR COMMUNITIES. OUR LOCAL STAFF UNDERGO EXTENSIVE TRAINING TO PREPARE THEM TO ENTER VILLAGES TWICE A MONTH TO TEACH STUDENTS AND TEACHERS SUPPLEMENTAL LESSONS ON SANITATION, HEALTH, IDENTITY, NUTRITION, AND ENVIRONMENT ('SHINE'). ULTIMATELY, THESE LESSONS ARE DESIGNED TO RESULT IN IMPROVED EDUCATIONAL ACHIEVEMENT BY TEACHING STUDENTS TO LEAD HEALTHIER AND MORE FULFILLING LIFESTYLES. CLICK HERE TO LEARN MORE ABOUT SHINE, INCLUDING THE GOALS OF THE PROGRAM, HOW WE DEVELOPED IT, HOW WE TRAIN OUR SHINE STAFF, AND TO VIEW SHINE-RELATED MEDIA.

IN 2012, WE WILL BE PILOTING A SCHOLARSHIP PROGRAM IN LAOS THAT WILL ADDRESS THE INDIVIDUALS AND COMMUNITIES WITH THE HIGHEST RISK OF DROPOUTS. FIRST, WE ARE COLLECTING DATA AND CONDUCTING INTERVIEWS WITH TEACHERS, SCHOOL DIRECTORS, AND PARENTS TO UNDERSTAND THE ROOT CAUSES OF ABSENTEEISM AND DROPPING OUT. OUR FINDINGS WILL HELP US DEVELOP SCHOLARSHIP PROGRAMS THAT DEEPEN OUR INVESTMENT IN COMMUNITIES AND PROVIDE THE SUPPORT VILLAGES NEED TO HELP LIFT THEMSELVES OUT OF

Name of the organization: PENCILS OF PROMISE INCORPORATED

Employer identification number: 26-3618722

POVERTY. WE ARE EXPLORING POTENTIAL PROGRAMS WITH FOCUSES RANGING FROM MENTORSHIP TO TRANSPORTATION TO DELAYED CASH INCENTIVES, AND EVERYTHING IN BETWEEN. WE WILL CONTINUE TO SHARE DETAILS WITH YOU AS THEY FINALIZE OVER THE COMING MONTHS!

ONE OF POP'S GOALS IS TO FOSTER A GREATER COMMITMENT TO EDUCATION WITHIN THE COMMUNITIES IN WHICH WE WORK. THROUGH OUR SISTER SCHOOL PROGRAM, WE FACILITATE COMMUNICATION BETWEEN US AND POP CLASSROOMS. WE SHOW OUR POP STUDENTS WHAT OPPORTUNITIES EXIST BEYOND THEIR OWN COMMUNITY AND EVEN THEIR OWN COUNTRY. WE EMPHASIZE THAT THROUGH EDUCATION, ANYTHING IS ACHIEVABLE' MAYBE EVEN A CHANCE TO VISIT EACH OTHER'S COUNTRIES ONE DAY. IN TURN, US STUDENTS BENEFIT FROM THE EXCHANGES BY ALSO LEARNING MORE ABOUT A FOREIGN CULTURE. CHECK OUT THE OFFICIAL SISTER SCHOOL WEBSITE TO LEARN MORE ABOUT HOW WE PARTNER POP CLASSROOMS WITH CLASSROOMS IN THE US.

FOURTH, WE HIRE AND INVEST IN LOCAL TALENT. POP PROVIDES ITS LOCAL STAFF WITH PROFESSIONAL DEVELOPMENT TRAINING TO EMPOWER STAFF MEMBERS (MANY OF WHOM ARE FEMALES AND MINORITIES) TO GROW AS PROFESSIONALS AND TAKE ON LEADERSHIP AND MENTORSHIP ROLES. TO LEARN MORE ABOUT A FEW OF THE 40+ THE INSPIRING LOCAL WOMEN AND MEN WHO DEVELOP AND EXECUTE OUR PROGRAMS ON THE GROUND, CHECK OUT THEIR STORIES BELOW.

FINALLY, WE EXTENSIVELY MONITOR AND EVALUATE OUR PROGRAM IMPACT. TO BEST JUDGE HOW EFFECTIVE OUR IMPACT IS, WE CLOSELY MONITOR AND EVALUATE (M&E) OUR PROGRAMS ON THE GROUND. WE HAVE LOCAL M&E TEAMS WHO CONDUCT INTERVIEWS AND SURVEYS WITH VILLAGE LEADERS, TEACHERS, STUDENTS, AND PARENTS. THIS HELP US TO UNDERSTAND THE NEEDS OF VILLAGES IN WHICH WE

Name of the organization: PENCILS OF PROMISE INCORPORATED

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OPERATE, OUR IMPACT ON THE COMMUNITY, AND AREAS IN WHICH WE CAN IMPROVE POP OPERATIONS AND PROGRAMMING.

OUR STUDENT DATABASE HELPS US UNDERSTAND WHO WE ARE SERVING EVERY YEAR IN OUR POP SCHOOLS. WE DOCUMENT EACH POP STUDENT'S NAME, AGE, GENDER, ETHNICITY, ATTENDANCE, PROGRESSION TO NEXT GRADE LEVEL, AND GRADE IN CLASS. EACH YEAR, WE TRACK VILLAGE-WIDE STUDENT ENROLLMENT, ATTENDANCE, RETENTION FROM ONE GRADE TO THE NEXT, PROGRESSION FROM PRIMARY TO SECONDARY SCHOOL, AND GRADES AND/OR TEST SCORES. WE EXPECT TO IMPROVE THESE METRICS THROUGH THE VARIETY OF EDUCATIONAL PROGRAMS WE OFFER STUDENTS AND COMMUNITIES. IN THE DEVELOPING WORLD, CALCULATING THESE TYPES OF METRICS CAN BE DIFFICULT. CHECK THIS OUT TO SEE HOW WE HAVE APPROACHED THIS CHALLENGE TO ENSURE THE HIGHEST LEVEL OF ACCURACY POSSIBLE. IN ADDITION, WE FOLLOW INDIVIDUAL POP STUDENTS THROUGH THE YEARS TO ASSESS THEIR EDUCATIONAL SUCCESSES AND FAILURES, ALONG WITH THEIR UNDERSTANDING, ATTITUDE, AND BEHAVIOR REGARDING EDUCATION AND ELEMENTS OF SHINE. THESE YEARLY INTERVIEWS WILL HELP US UNDERSTAND THE IMPACT THAT WE HAVE ON INDIVIDUALS THROUGH OUR PROGRAMMING.

DOMESTICALLY, WE EXPANDED OUR PROGRAMMING INITIATIVES THROUGH SEVERAL UPDATES TO OUR WEBSITE AND THROUGH OUR EVER-EXPANDING OUTREACH PROGRAM FOR BOTH YOUTHTS AND PROFESSIONALS. WITH THE HELP OF OUR WEBSITE AND OTHER SOCIAL MEDIA PLATFORMS, WE HAVE AN ONLINE COMMUNITY OF OVER 300,000 MEMBERS AS OF THE END OF 2011. WE ALSO HAD A SUCCESSFUL YEAR-LONG INTERNSHIP PROGRAM INVOLVING OVER 75 STUDENTS AND CONTINUED YOUTH PROGRAMMING IN PRIMARY AND SECONDARY SCHOOLS ACROSS THE U.S.

Name of the organization	Employer identification number
PENCILS OF PROMISE INCORPORATED	26-3618722

FORM 990, PART VI, SECTION B, LINE 11: FORM 990 IS MADE AVAILABLE TO ALL MEMBERS OF THE BOARD OF DIRECTORS. POP'S CHIEF FINANCIAL OFFICER IS TASKED WITH OVERSEEING THE AUDIT PROCESS AND THE DRAFTING OF FORM 990 IN CONJUNCTION WITH AN INDEPENDENT ACCOUNTING FIRM. POP'S FINANCE & GOVERNANCE COMMITTEE PROVIDES SUPPORT TO THESE TASKS OF THE CHIEF FINANCIAL OFFICER. ALL MEMBERS OF THE COMMITTEE AND OTHER KEY EMPLOYEES OF THE ORGANIZATION ARE PROVIDED WITH A DRAFT OF THE AUDITED FINANCIAL STATEMENTS AND

FORM 990, PART VI, SECTION B, LINE 12C: EACH BOARD MEMBER IS ASKED TO READ AND SIGN AN AFFIRMATION STATEMENT EACH YEAR REGARDING THE CONFLICT OF INTEREST POLICY. ADDITIONALLY, A CONFLICTS POLICY IS IN OUR EMPLOYEE HANDBOOK AND EACH EMPLOYEE IS ASKED TO SIGN AND ACKNOWLEDGEMENT FORM AND DISCLOSE ANY POTENTIAL CONFLICTS IF ANY ARE PRESENT.

FORM 990, PART VI, SECTION B, LINE 15: THE PROCESS INCLUDES ALL OF THESE ELEMENTS: (1) REVIEW AND APPROVAL BY THE BOARD OF DIRECTORS, COMPENSATION COMMITTEE OR EXECUTIVE COMMITTEE OF POP; (2) USE OF DATA AS TO COMPARABLE COMPENSATION; AND (3) CONTEMPORANEOUS DOCUMENTATION AND RECORDKEEPING.

REVIEW AND APPROVAL - THE COMPENSATION OF THE PERSON IS REVIEWED AND APPROVED BY THE BOARD OF DIRECTORS, COMPENSATION COMMITTEE OR EXECUTIVE COMMITTEE OF POP, PROVIDED THAT PERSONS WITH CONFLICTS OF INTEREST WITH RESPECT TO THE COMPENSATION ARRANGEMENT AT ISSUE ARE NOT INVOLVED IN THIS REVIEW AND APPROVAL.

USE OF DATA AS TO COMPARABLE COMPENSATION - THE COMPENSATION OF THE PERSON IS REVIEWED AND APPROVED USING DATA AS TO COMPARABLE COMPENSATION FOR SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS AT

Name of the organization: PENCILS OF PROMISE INCORPORATED

Employer identification number: 26-3618722

SIMILARLY SITUATED ORGANIZATIONS.

CONTEMPORANEOUS DOCUMENTATION AND RECORDKEEPING - THERE IS CONTEMPORANEOUS DOCUMENTATION AND RECORDKEEPING WITH RESPECT TO THE DELIBERATIONS AND DECISIONS REGARDING THE COMPENSATION ARRANGEMENT.

FORM 990, PART VI, LINE 17, LIST OF STATES RECEIVING COPY OF FORM 990: AL,AK,AR,CA,CO,CT,FL,GA,HI,IL,KS,MA,MD,ME,MI,MN,MS,NC,ND,NH,NM,NY,OH,OK,OR PA,RI,SC,TN,UT,VA,WA,WI,WV

FORM 990, PART VI, SECTION C, LINE 19: ALL OF OUR FINANCIAL DOCUMENTS ARE MADE AVAILABLE TO THE PUBLIC ON OUR WEBSITE. THESE INCLUDE OUR 990 AND ANNUAL REVIEW/AUDIT. ADDITIONALLY, ALL OF OUR ORGANIZATIONAL DOCUMENTS ARE AVAILABLE FOR THE PUBLIC ON GUIDESTAR.

FORM 990, PART XII, LINE 2C

IN 2011, THE ORGANIZATION'S BOARD OF DIRECTORS ESTABLISHED A FINANCE & GOVERNANCE COMMITTEE THAT WAS GRANTED AUTHORITY BY THE BOARD OF DIRECTORS TO ACT ON BEHALF OF THE GOVERNING BODY IN ITS SPECIFIC SPHERES OF COVERAGE. THE COMMITTEE MEETS BIMONTHLY AND PROVIDES GUIDANCE TO THE CHIEF FINANCIAL OFFICER BY HELPING IN THE OVERSIGHT OF THE AUDIT PROCESS, THE DRAFTING OF FORM 990 AND THE SELECTION OF AN INDEPENDENT ACCOUNTING FIRM.

2011 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 10 990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	APPLE COMPUTER	011110	SL	5.00	16	1,512.			1,512.	302.		302.
2	MACBOOK & PRINTER	041810	SL	5.00	16	1,170.			1,170.	156.		234.
3	MACBOOK PRO COMPUTER	091010	SL	5.00	16	1,402.			1,402.	93.		280.
4	OFFICE PRINTER	110310	SL	5.00	16	329.			329.	11.		66.
5	OFFICE FURNITURE	083010	SL	7.00	16	3,630.			3,630.	173.		519.
6	4 OFFICE CHAIRS	101910	SL	7.00	16	460.			460.	11.		66.
7	CONFERENCE ROOM CHAIRS	110310	SL	7.00	16	115.			115.	3.		16.
8	(D)TRUCK	081010	SL	5.00	16	7,735.			7,735.	645.		1,160.
9	WEBSITE	101510	SL	3.00	16	263,928.			263,928.	21,994.		87,976.
10	LAOS MOTORBIKE	063011	SL	5.00	16	1,466.			1,466.			147.
11	LAOS TRUCK	100111	SL	5.00	16	12,923.			12,923.			646.
12	LAOS VAN	110711	SL	5.00	16	25,013.			25,013.			834.
13	GUATEMALA TRUCK	113011	SL	5.00	16	5,584.			5,584.			93.
14	GUATEMALA TRUCK	060111	SL	5.00	16	10,390.			10,390.			1,212.
15	WEBSITE	083111	SL	3.00	16	29,325.			29,325.			3,258.
16	WEBSITE	123111	SL	3.00	16	58,650.			58,650.			0.
	* TOTAL 990 PAGE 10 DEPR					423,632.		0.	423,632.	23,388.	0.	96,809.

128102
05-01-11

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

Form **8868** (Rev. January 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

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

OMB No. 1545-1709

- 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.

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

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.

Type or print

File by the due date for filing your return. See instructions.

Name of exempt organization or other filer, see instructions.
PENCILS OF PROMISE INCORPORATED

Employer identification number (EIN) or
[X] 26-3618722

Number, street, and room or suite no. If a P.O. box, see instructions.
17 MEADOW PLACE

Social security number (SSN)
[ ]

City, town or post office, state, and ZIP code. For a foreign address, see instructions.
OLD GREENWICH, CT 06870

DRAFT

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ TOM CASAZZONE
37 WEST 28TH STREET, 3RD FLOOR - NEW YORK, NY 10001
Telephone No. ▶ 212-777-3170 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 is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15, 2012, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [X] calendar year 2011 or
▶ [ ] tax year beginning ______, and ending ______.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return
[ ] Change in accounting period

3a	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.	**3a**	$ 0.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	**3b**	$ 0.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	**3c**	$ 0.

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.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see Instructions.** Form **8868** (Rev. 1-2012)

Form **8879-EO**

Department of the Treasury
Internal Revenue Service

IRS e-file Signature Authorization for an Exempt Organization

For calendar year 2011, or fiscal year beginning ____________, 2011, and ending ____________, 20__

▶ **Do not send to the IRS. Keep for your records.**

▶ **See instructions.**

OMB No. 1545-1878

2011

Name of exempt organization	Employer identification number
PENCILS OF PROMISE INCORPORATED	26-3618722

Name and title of officer
ADAM BRAUN
PRESIDENT & EXECUTIVE DIRECTOR

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a,** or **5a,** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ [X]	**b** **Total revenue,** if any (Form 990, Part VIII, column (A), line 12)	**1b**	2152212
2a Form 990-EZ check here ▶ [ ]	**b** **Total revenue,** if any (Form 990-EZ, line 9)	**2b**	
3a Form 1120-POL check here ▶ [ ]	**b** **Total tax** (Form 1120-POL, line 22)	**3b**	
4a Form 990-PF check here ▶ [ ]	**b** **Tax based on investment income** (Form 990-PF, Part VI, line 5)	**4b**	
5a Form 8868 check here ▶ [ ]	**b** **Balance Due** (Form 8868, Part I, line 3c or Part II, line 8c)	**5b**	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2011 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

[ ] I authorize ______________________________ to enter my PIN [ ]
ERO firm name — Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[X] As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ ______________________________ Date ▶ ______________

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN. 06286036187
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2011 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163,** Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature ▶ ______________________________ Date ▶ ______________

ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So

2011 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - PENCILS OF PROMISE INCORPORATED

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	APPLE COMPUTER	011110	SL	5.00	16	1,512.			1,512.	302.		302.
2	MACBOOK & PRINTER	041810	SL	5.00	16	1,170.			1,170.	156.		234.
3	MACBOOK PRO COMPUTER	091010	SL	5.00	16	1,402.			1,402.	93.		280.
4	OFFICE PRINTER	110310	SL	5.00	16	329.			329.	11.		66.
5	OFFICE FURNITURE	083010	SL	7.00	16	3,630.			3,630.	173.		519.
6	4 OFFICE CHAIRS	101910	SL	7.00	16	460.			460.	11.		66.
7	CONFERENCE ROOM CHAIRS	110310	SL	7.00	16	115.			115.	3.		16.
8	(D)TRUCK	081010	SL	5.00	16	7,735.			7,735.	645.		1,160.
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10	LAOS MOTORBIKE	063011	SL	5.00	16	1,466.			1,466.			147.
11	LAOS TRUCK	100111	SL	5.00	16	12,923.			12,923.			646.
12	LAOS VAN	110711	SL	5.00	16	25,013.			25,013.			834.
13	GUATEMALA TRUCK	113011	SL	5.00	16	5,584.			5,584.			93.
14	GUATEMALA TRUCK	060111	SL	5.00	16	10,390.			10,390.			1,212.
15	WEBSITE	083111	SL	3.00	16	29,325.			29,325.			3,258.
16	WEBSITE	123111	SL	3.00	16	58,650.			58,650.			0.
	* TOTAL 990 PAGE 10 DEPR					423,632.		0.	423,632.	23,388.	0.	96,809.

128102
05-01-11

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

TAX RETURN FILING INSTRUCTIONS

NEW YORK FORM CHAR500, ANNUAL FILING REPORT

FOR THE YEAR ENDING

DECEMBER 31, 2011

Prepared for	PENCILS OF PROMISE INCORPORATED 17 MEADOW PLACE OLD GREENWICH, CT 06870
Prepared by	O'CONNOR DAVIES MUNNS & DOBBINS, LLP ONE STAMFORD LANDING STAMFORD, CT 06902
Mail tax return to	NEW YORK STATE DEPARTMENT OF LAW CHARITIES BUREAU - REGISTRATION SECTION 120 BROADWAY NEW YORK, NY 10271
Return must be mailed on or before	AUGUST 15, 2012
Special Instructions	NEW YORK FORM CHAR500 MUST BE SIGNED AND DATED BY BOTH OF THE AUTHORIZED INDIVIDUALS. ALSO BE SURE THAT THE ATTACHED COPY OF FEDERAL FORM 990 HAS BEEN PROPERLY SIGNED AND DATED. ENCLOSE A CHECK FOR $25 MADE PAYABLE TO NYS DEPARTMENT OF LAW. INCLUDE THE ORGANIZATION'S STATE REGISTRATION NUMBER(S) ON THE REMITTANCE.

Form **CHAR500**	**Annual Filing for Charitable Organizations** New York State Department of Law (Office of the Attorney General) Charities Bureau - Registration Section 120 Broadway New York, NY 10271 http://www.charitiesnys.com	**2011**
This form used for Article 7-A, EPTL and dual filers (replaces forms CHAR 497, CHAR 010 and CHAR 006)		**Open to Public Inspection**

1. General Information

a. For the fiscal year beginning (mm/dd/yyyy) 01/01/2011 and ending (mm/dd/yyyy) 12/31/2011

b. Check if applicable for NYS:	c. Name of organization	d. Fed. employer ID no. (EIN)
☐ Address change ☐ Name change ☐ Initial filing ☐ Final filing ☐ Amended filing ☐ NY registration pending	PENCILS OF PROMISE INCORPORATED	26-3618722 e. NY State registration no. 41-25-68
	Number and street (or P.O. box if mail not delivered to street address): 17 MEADOW PLACE — Room/suite:	f. Telephone number 212 777-3170
	City or town, state or country and ZIP + 4: OLD GREENWICH, CT 06870	g. Email

2. Certification - Two Signatures Required

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

	Signature	Printed Name	Title	Date
a. President or Authorized Officer		ADAM BRAUN	PRESIDENT & EXECUTIV	
b. Chief Financial Officer or Treas.		TOM CASAZZONE	DIRECTOR OF FINANCE	

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3. Annual Report Exemption Information

a. **Article 7-A** annual report exemption (Article 7-A registrants and dual registrants)

Check ➡ ☐ if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed $25,000 **and** the organization did not engage a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year.

NOTE: An organization may claim this exemption if no PFR or FRC was used **and** either: 1) it received an allocation from a federated fund, United Way or incorporated community appeal **and** contributions from other sources did not exceed $25,000 **or** 2) it received all or substantially all of its contributions from one government agency to which it submitted an annual report similar to that required by Article 7-A.

b. **EPTL** annual report exemption (EPTL registrants and dual registrants)

Check ➡ ☐ if gross receipts did not exceed $25,000 **and** assets (market value) did not exceed $25,000 at any time during this fiscal year.

For EPTL or Article 7-A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above. *Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.*

4. Article 7-A Schedules

If you did **not** check the Article 7-A annual report exemption above, complete the following for this fiscal year:

a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? ☐ Yes* ☒ No
*** If "Yes", complete Schedule 4a.**

b. Did the organization receive government contributions (grants)? ☐ Yes* ☒ No
*** If "Yes", complete Schedule 4b.**

5. Fee Submitted: See last page for **summary of fee requirements**.

Indicate the filing fee(s) you are submitting along with this form:

a. Article 7-A filing fee	$	25.
b. EPTL filing fee	$	
c. **Total fee**	**$**	25.

Submit only one check or money order for the total fee, payable to "NYS Department of Law"

6. Attachments - For organizations that are not claiming annual report exemptions under both laws, see last page for required attachments ➡➡➡

5. Fee Instructions

The filing fee depends on the organization's Registration Type. For details on Registration Type and filing fees, see the Instructions for Form CHAR500.

Organization's Registration Type	Fee Instructions
• **Article 7-A**	Calculate the Article 7-A filing fee using the table in **part a** below. The EPTL filing fee is $0.
• **EPTL**	Calculate the EPTL filing fee using the table in **part b** below. The Article 7-A filing fee is $0.
• **Dual**	Calculate both the Article 7-A and EPTL filing fees using the tables in **parts a and b** below. Add the Article 7-A and EPTL filing fees together to calculate the total fee. Submit a **single** check or money order for the total fee.

a) Article 7-A filing fee

Total Support & Revenue	Article 7-A Fee
more than $250,000	$25
up to $250,000 *	$10

* *Any organization that contracted with or used the services of a professional fund raiser (PFR) or fund raising counsel (FRC) during the reporting period must pay an Article 7-A filing fee of $25, regardless of total support and revenue.*

b) EPTL filing fee

Net Worth at End of Year	EPTL Fee
Less than $50,000	$25
$50,000 or more, but less than $250,000	$50
$250,000 or more, but less than $1,000,000	$100
$1,000,000 or more, but less than $10,000,000	$250
$10,000,000 or more, but less than $50,000,000	$750
$50,000,000 or more	$1500

6. Attachments - Document Attachment Check-List

Check the boxes for the documents you are attaching.

For All Filers

Filing Fee

[X] Single check or money order payable to "NYS Department of Law"

Copies of Internal Revenue Service Forms

[X] **IRS Form 990**
[X] All required schedules (including Schedule B)
[ ] IRS Form 990-T

[ ] **IRS Form 990-EZ**
[ ] All required schedules (including Schedule B)
[ ] IRS Form 990-T

[ ] **IRS Form 990-PF**
[ ] All required schedules (including Schedule B)
[ ] IRS Form 990-T

Additional Article 7-A Document Attachment Requirement

Independent Accountant's Report

[X] Audit Report *(total support & revenue more than $250,000)*
[ ] Review Report *(total support & revenue $100,001 to $250,000)*
[ ] No Accountant's Report Required *(total support & revenue not more than $100,000)*