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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

A For the 2008 calendar year, or tax year beginning 07-01-2008 and ending 06-30-2009

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Termination

☐ Amended return

☐ Application pending

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

C Name of organization

NORTH CAROLINA MUSEUM OF ART FOUNDATION INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

4630 MAIL SERVICE CENTER

Room/suite

City or town, state or country, and ZIP + 4

RALEIGH, NC 276994630

D Employer identification number

23-7071511

E Telephone number

(919) 839-6262

G Gross receipts

\$ 12,169,615

F Name and address of Principal Officer

CATERRI M WOODRUM
2110 BLUE RIDGE ROAD
RALEIGH, NC 27607

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)

H(c) Group Exemption Number

I Tax-exempt status

☒ 501(c) (3) ☐ (Insert no) ☐ 4947(a)(1) or ☐ 527

J Web site:

WWW.NCARTMUSEUM.ORG

K Type of organization

☒ Corporation ☐ trust ☐ association ☐ other

L Year of Formation

1969

M State of legal domicile

NC

Part I Summary			
Activities & Governance	1	Briefly describe the organization's mission or most significant activities TO FOSTER AND PROMOTE THE GROWTH, PROGRESS AND GENERAL WELFARE OF THE NORTH CAROLINA MUSEUM OF ART	
	2	Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its assets	
	3	Number of voting members of the governing body (Part VI, line 1a)	3 26
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 26
	5	Total number of employees (Part V, line 2a)	5 100
	6	Total number of volunteers (estimate if necessary)	6 480
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a 0
Revenue	b	Net unrelated business taxable income from Form 990-T, line 34	7b 0
	8	Contributions and grants (Part VIII, line 1h)	Prior Year 13,218,777 Current Year 7,787,436
	9	Program service revenue (Part VIII, line 2g)	2,774,506 1,692,702
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-500,545 -296,310
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	52,547 29,838
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	15,545,285 9,213,666
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	7,126,605 4,730,139
	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)	3,880,201 4,069,282
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0 54,082
	b	(Total fundraising expenses, Part IX, column (D), line 25 981,760)	
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	4,798,227 5,133,348
	18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	15,805,033 13,986,851
Net Assets or Fund Balances	19	Revenue less expenses Subtract line 18 from line 12	-259,748 -4,773,185
	20	Total assets (Part X, line 16)	Beginning of Year 43,303,637 End of Year 38,238,978
	21	Total liabilities (Part X, line 26)	15,627,101 18,354,924
	22	Net assets or fund balances Subtract line 21 from line 20	27,676,536 19,884,054

Part II Signature Block

Please Sign Here

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

Signature of officer

2010-05-13

Date

CATERRI M WOODRUM CHIEF FINANCIAL OFFICER

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

RONALD A BATCHELOR

Date

Check if self-employed

☐

Preparer's PTIN (See Gen Inst)

Firm's name (or yours if self-employed), address, and ZIP + 4

BATCHELOR TILLERY & ROBERTS LLP
3605 GLENWOOD AVENUE SUITE 350
RALEIGH, NC 27612

EIN

Phone no (919) 787-8212

May the IRS discuss this return with the preparer shown above? (See instructions)

☒ Yes ☐ No

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

Cat No 11282Y

Form 990 (2008)

Part IIISTatement of Program Service Accomplishments (See the instructions.)

1

Briefly describe the organization’s mission

See Additional Data Table

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

✓

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

✓

No

If “Yes,” describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization’s three largest program services by expenses

Section 501(c)(3) and (4) organizations and 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 \$ 5,407,476 including grants of \$ 4,725,039) (Revenue \$ 0)

The North Carolina Museum of Art has recently completed a major expansion initiative, constructing a new 127,000 square foot gallery building to showcase its permanent collection. This innovative new building is surrounded by highly landscaped sculpture gardens and water pools funded entirely from private contributions that were provided as a grant from the North Carolina Museum of Art Foundation to the State of North Carolina. These contributions, largely in the form of pledges receivable, underpin a note and loan agreement with a local lending institution, the proceeds from which were granted by the Foundation to the State during the period to pay the cost of construction of these landscaped areas. Total grants to the State of North Carolina were \$4,725,039.

4b

(Code) (Expenses \$ 908,101 including grants of \$ 0) (Revenue \$ 0)

The North Carolina Museum of Art Foundation, Inc. provided additional support to the Museum of Art's expansion project by cultivating donors for commissioned works of art to be installed in the and around the new gallery building. Total funds provided by the Foundation in support of Art purchase/commission was \$908,101. All art is gifted by the Foundation to the North Carolina Museum of Art.

4c

(Code) (Expenses \$ 2,365,644 including grants of \$ 5,100) (Revenue \$ 1,692,702)

The Museum of Art is partially supported by state appropriations that largely fund state staff positions and their related benefits, and a portion of the operating costs of running the Museum. The North Carolina Museum of Art Foundation, Inc. provides the majority of financial support needed for education and curatorial programming of the Museum of Art including support for statewide and museum-based education programming, special traveling art exhibitions, supplemental art conservation funds, and public programming to include summer concerts and a year-round film series.

4d

Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e

Total program service expenses \$ 8,681,221

Must equal Part IX, Line 25, column (B).

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	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes
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	No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II 	4	Yes
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5	
6	Did the organization maintain any donor advised funds or any accounts where 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	No
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	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
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	No
10	Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	Yes
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable 	11	Yes
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12	Yes
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a	Did the organization maintain an office, employees, or agents outside of the U S?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S? If "Yes," complete Schedule F, Part I	14b	No
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, Part II	15	No
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, Part III	16	No
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I 	17	Yes
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18	Yes
19	Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19	No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20	No
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II 	21	Yes
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III 	22	No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J 	23	Yes
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 questions 24b–24d and complete Schedule K. If "No," go to question 25 	24a	Yes
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	No
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	No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	No
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	No
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I	25b	No
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	No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27	No

Part IV Checklist of Required Schedules *(Continued)*

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		No
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		No
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> 	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> 		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> 		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		No
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		No
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		No
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		No

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a107		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a100		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? . . . Note: <i>If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.</i>	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a		No
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		No
b	If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts .			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?	5c		
6a	Did the organization solicit any contributions that were not tax deductible?	6a		No
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 provide goods or services in exchange for any quid pro quo contribution of \$75 or more?	7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	Section 501(c)(3) and other 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		

Part VI

Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
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?		No
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?		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?		No
6	Does the organization have members or stockholders?		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	the governing body?	Yes	
8b	each committee with authority to act on behalf of the governing body?	Yes	
9a	Does the organization have local chapters, branches, or affiliates?		No
9b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	Yes	
11	Is there any officer, director or 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		No

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No", go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
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		
15a	The organization's CEO, Executive Director, or top management official?	Yes	
15b	Other officers or key employees of the organization?	Yes	
	Describe the process in Schedule O		
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?		No
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed _____
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. ☐ own website ☐ another's website ☒ upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. SHARON L FRANK 4630 MAIL SERVICE CENTER RALEIGH, NC 276994630 (919) 664-6840

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

☐ Check this box if the organization did not compensate any officer, director, trustee or key employee

Form 990 (2008)

Part VIII

Statement of Revenue

				(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a						
	b	Membership dues 1,410,282						
	c	Fundraising events 17,950						
	d	Related organizations 1d						
	e	Government grants (contributions) 1e 1,017,607						
	f	All other contributions, gifts, grants, and similar amounts not included above 5,341,597						
	g	Noncash contributions included in lines 1a-1f \$ 123,342						
	h	Total (Add lines 1a-1f) 7,787,436						
	Program Service Revenue	2a	PROGRAM FEES	Business Code 900,099	627,922	627,922		
b		MUSEUM SHOP SALES	453,220	308,684	308,684			
c		CAFE SALES	722,100	733,599		733,599		
d		OTHER OPERATING REVENUE	900,099	22,497		22,497		
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f \$ 1,692,702						
Other Revenue		3	Investment income (including dividends, interest other similar amounts)		530,837			530,837
	4	Income from investment of tax-exempt bond proceeds		0				
	5	Royalties		8,752			8,752	
	6a	Gross Rents	(i) Real	(ii) Personal				
	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				
			2,046,730					
			2,873,877					
			-827,147					
	d	Net gain or (loss) -827,147					-827,147	
	8a	Gross income from fundraising events (not including \$ 103,158 of contributions reported on line 1c) See Part IV, line 18 Attach Schedule G if total exceeds \$15,000 a	17,950					
			b	Less direct expenses b	82,072			
			c	Net income or (loss) from fundraising events 21,086				
	9a	Gross income from gaming activities See part IV, line 19 Complete Schedule G if total exceeds \$15,000 a						
			b	Less direct expenses b				
c			Net income or (loss) from gaming activities 0					
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 0					
	Miscellaneous Revenue	Business Code						
11a								
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d \$ 0							
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e 9,213,666			936,606		468,538		

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).					
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 U S See Part IV, line 21	4,730,139	4,730,139		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	442,659	99,436	189,265	153,958
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	3,010,746	1,008,773		555,931
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	141,467	40,833	63,470	37,164
9	Other employee benefits	235,981	68,009	121,778	46,194
10	Payroll taxes	238,429	80,390	118,301	39,738
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	31,124		31,124	
c	Accounting	25,000		25,000	
d	Lobbying	90,400		90,400	
e	Professional fundraising See Part IV, line 17	54,082			54,082
f	Investment management fees	48,625	31,049	17,576	
g	Other	272,522	243,239	27,794	1,489
12	Advertising and promotion	77,432	70,737	-5,992	12,687
13	Office expenses	1,139,940	521,249	580,595	38,096
14	Information technology	52,096	30,650	10,056	11,390
15	Royalties	0			
16	Occupancy	65,933	58,247	7,686	
17	Travel	111,363	69,462	18,879	23,022
18	Payments of travel or entertainment expenses for any Federal, state or local public officials	0			
19	Conferences, conventions and meetings	92,101	27,199	57,284	7,618
20	Interest	365,840	342,698	23,142	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	70,089		70,089	
23	Insurance	33,169		33,169	
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	ART PURCHASES	838,173	838,173		
b	PRODUCTION EXPENSES	216,844	95,335	121,253	256
c	LECTURE, WORKSHOP & ARTISTS	277,502	247,652	29,850	
d	RESERVE FOR UNCOLL PLEDGES	1,123,150	6,350	1,116,800	
e	EXHIBITION VENUE FEES	64,000	64,000		
f	All other expenses	138,045	7,601	130,309	135
25	Total functional expenses. Add lines 1 through 24f	13,986,851	8,681,221	4,323,870	981,760
26	Joint Costs. Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X **Balance Sheet**

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	12,175,649	1	12,726,944
	2 Savings and temporary cash investments	15,625,396	2	930,854
	3 Pledges and grants receivable, net	7,228,702	3	5,312,637
	4 Accounts receivable, net	910,660	4	1,062,053
	5 Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	142,353	8	119,376
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment—cost basis	10a 448,272		
	b Less accumulated depreciation <i>Complete Part VI of Schedule D</i>	10b 384,199	86,054	10c 64,073
	11 Investments—publicly traded securities	625,163	11	11,807,991
	12 Investments—other securities <i>See Part IV, line 11. Complete Part VII of Schedule D</i>		12	
	13 Investments—program-related <i>See Part IV, line 11. Complete Part VIII of Schedule D</i>		13	
	14 Intangible assets		14	
	15 Other assets <i>See Part IV, line 11. Complete Part IX of Schedule D</i>	6,509,660	15	6,215,050
16 Total assets. <i>Add lines 1 through 15 (must equal line 34)</i>	43,303,637	16	38,238,978	
Liabilities	17 Accounts payable and accrued expenses	8,450,496	17	7,949,301
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	7,176,605	20	6,876,373
	21 Escrow account liability <i>Complete Part IV of Schedule D</i>		21	
	22 Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>		22	
	23 Secured mortgages and notes payable to unrelated third parties	0	23	3,529,250
	24 Unsecured notes and loans payable		24	
	25 Other liabilities <i>Complete Part X of Schedule D</i>		25	
	26 Total liabilities. <i>Add lines 17 through 25</i>	15,627,101	26	18,354,924
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,821,284	27	-1,207,069
	28 Temporarily restricted net assets	10,017,773	28	4,842,162
	29 Permanently restricted net assets	15,837,479	29	16,248,961
	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	27,676,536	33	19,884,054
	34 Total liabilities and net assets/fund balances	43,303,637	34	38,238,978

Part XI **Financial Statements and Reporting**

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ cash ☒ accrual ☐ other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	No
b	Were the organization's financial statements audited by an independent accountant?	2b Yes	
c	If "Yes" to lines 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 Yes	
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	No
b	If "Yes," did the organization undergo the required audit or audits?	3b	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury

Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization NORTH CAROLINA MUSEUM OF ART FOUNDATION INC	Employer identification number 23-7071511
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Part I	Reason for Public Charity Status (to be completed by all organizations) (See Instructions)
The organization is not a private foundation because it is (Please check only one organization)	
1	☐ A church, convention of churches, or association of churches described in Section 170(b)(1)(A)(i) .
2	☐ A school described in Section 170(b)(1)(A)(ii) . (Attach Schedule E)
3	☐ A hospital or a cooperative hospital service organization described in Section 170(b)(1)(A)(iii) . (Attach Schedule H)
4	☐ A medical research organization operated in conjunction with a hospital described in Section 170(b)(1)(A)(iii) . Enter the hospital's name, city, and state
5	☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in Section 170(b)(1)(A)(iv) . (Complete Part II)
6	☐ A federal, state, or local government or governmental unit described in Section 170(b)(1)(A)(v) .
7	☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in Section 170(b)(1)(A)(vi) (Complete Part II)
8	☐ A community trust described in Section 170(b)(1)(A)(vi) (Complete Part II)
9	☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See Section 509(a)(2) . (Complete Part III)
10	☐ An organization organized and operated exclusively to test for public safety See Section 509(a)(4) . (See instructions)
11	☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or 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?
	(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 the supported organization?
	(ii) a family member of a person described in (i) above?
	(iii) a 35% controlled entity of a person described in (i) or (ii) above?
h	Provide the following information about the organizations the organization supports

	Yes	No
11g(i)		No
11g(ii)		No
11g(iii)		No

(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 IRC 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.)

Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	5,307,134	3,140,510	14,815,436	7,218,777	6,870,773	37,352,630
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf				6,000,000	916,663	6,916,663
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add line 1-3	5,307,134	3,140,510	14,815,436	13,218,777	7,787,436	44,269,293
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						3,503,552
6 Public Support subtract line 5 from line 4						40,765,741

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4	5,307,134	294,355	14,815,436	13,218,777	7,787,436	44,269,293
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	244,863	294,355	600,007	815,333	539,589	2,494,147
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)						46,763,440
12 Gross receipts from related activities, etc (See instructions)					12	18,963,496

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

☐

Computation of Public Support Percentage

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f))	14	87.174 %
15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f	15	88.543 %

- 16a 33 1/3% Test - 2008.** 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
- ☒
- b 33 1/3% Test - 2007.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization
- ☐
- 17a 10% Facts and Circumstances Test - 2008.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization
- ☐
- b 10% Facts and Circumstances Test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization
- ☐
- 18 Private Foundation.** If the organization did not check the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions
- ☐

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total Add lines 1-5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
cTotal of lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Total Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13Total Support (Add lines 9, 10c, 11 and 12)						
14First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Computation of Public Support Percentage		
15Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15	
16Public Support Percentage for 2007 Schedule A, Part IV -A, line 27g	16	

Computation of Investment Income Percentage		
17Investment Income Percentage for 2008 (line 10c column (f) divided by line 13 column (f))	17	
18Investment Income Percentage from 2007 Schedule A, Part IV -A, line 27h	18	
19a33 1/3% Tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
b33 1/3% Tests - 2007. 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		
20Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

Part IV

Supplemental Information. Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

To be completed by organizations described below. Attach to Form 990 or Form 990-EZ

OMB No 1545-0047

2008

Open to Public Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities)

- Section 501(c)(3) organizations complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations complete Part I-A only

If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990EZ, Part VI, line 47 (Lobbying Activities)

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) complete Part II-A Do not complete Part II-B
 - Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A
- If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax)
- Section 501(c)(4), (5), or (6) organizations complete Part III

Name of the organization NORTH CAROLINA MUSEUM OF ART FOUNDATION INC	Employer identification number 23-7071511
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Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations. (See the instructions for Schedule C for details.)

- 1

Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2

Political expenditures

\$
- 3

Volunteer hours

Part I-B To be completed by all organizations exempt under section 501(c)(3). (See the instructions for Schedule C for details.)

- 1

Enter the amount of any excise tax incurred by the organization under section 4955

\$
- 2

Enter the amount of any excise tax incurred by organization managers under section 4955

\$
- 3

If the organization incurred in a section 4955 tax, did it file Form 4720 for this year?

☐ Yes

☐ No
- 4a

Was a correction made?

☐ Yes

☐ No
- b

If "Yes," describe in Part IV

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3). (See the instructions for Schedule C for details.)

- 1

Enter the amount directly expended by the filing organization for section 527 exempt function activities

\$
- 2

Enter the amount of the filing organization's internal funds contributed to other organizations for section 527 exempt funtion activities

\$
- 3

Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b

\$
- 4

Did the filing organization file **Form 1120-POL** for this year?

☐ Yes

☐ No
- 5

State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's internal funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-

Part II-A

To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)). (See the instructions for Schedule C for details.)

A Check ☐ if the filing organization belongs to an affiliated group

B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures— (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b	Total lobbying expenditures to influence a legislative body (direct lobbying)		
c	Total lobbying expenditures (add lines 1a and 1b)		
d	Other exempt purpose expenditures		
e	Total exempt purpose expenditures (add lines 1c and 1d)		
f	Lobbying nontaxable amount Enter the amount from the following table in both columns— If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$17,000,000 Over \$17,000,000 The lobbying nontaxable amount is: 20% of the amount on line 1e \$100,000 plus 15% of the excess over \$500,000 \$175,000 plus 10% of the excess over \$1,000,000 \$225,000 plus 5% of the excess over \$1,500,000 \$1,000,000		
g	Grassroots nontaxable amount (enter 25% of line 1f)		
h	Subtract line 1g from line 1a Enter -0- if line g is more than line a		
i	Subtract line 1f from line 1c Enter -0- if line f is more than line c		
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	☐ Yes ☒ No	

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 1a through 1f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)). (See the instructions for Schedule C for details.)

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines c through i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		90,400
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		No	
	i Other activities If "Yes," describe in Part IV		No	
j Total lines 1c through 1i				90,400
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes" enter the amount of any tax incurred under section 4912			
c	If "Yes" enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

Part III-A

To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). (See the instructions for Schedule C for details.)

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B

To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." (See the instructions for Schedule C for details.)

1	Dues, assessments and similar amounts from members	1 \$
2	Section 162(e) non-deductible lobbying and political expenditures (<i>do not include amounts of political expenses for which the section 527(f) tax was paid</i>).	
a	Current Year	2a \$
b	Carryover from last year	2b \$
c	Total	2c \$
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3 \$
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4 \$
5	Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5 \$

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
LOBBYING ACTIVITY EXPLANATION	SCHEDULE C, PART II-B, LINE 1G	\$90,400 PAID DURING THE FISCAL YEAR ENDED 6/30/2009 TO THE LAW FIRM OF SZD WICKER LPA FOR LOBBYING ASSISTANCE IN SEEKING ADDITIONAL STATE SUPPORT FOR THE NORTH CAROLINA MUSEUM OF ART. ACTIVITIES INCLUDE MEETING WITH AND CONTACTING GOVERNMENT OFFICIALS AND LEGISLATORS.

Supplemental Information

Identifier	Return Reference	Explanation
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SCHEDULE D

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTH CAROLINA MUSEUM OF ART FOUNDATION INC

Employer identification number

23-7071511

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 may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other 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 pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of certified historic structure

☐ Preservation of open space

2

Complete lines 2a–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 Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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, violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year ►

7

Amount of expenses incurred in monitoring, inspecting, and enforcing 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 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, 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, 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 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 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

Trust, 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 why in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
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	15,625,396			
b	Contributions				
c	Investment earnings or losses	-3,328,967			
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses	36,920			
g	End of year balance	12,259,509			

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 0 %

b

Permanent endowment ▶ 99 618 %

c

Term endowment ▶ 0 382 %

3a

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

(i)

unrelated organizations

(ii)

related organizations

3a(i)

No

3a(ii)

No

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

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		448,272	384,199	64,073
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				64,073

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. (Column (b) should equal Form 990, Part X, col (B) line 12) ▶		

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13) ▶		

(a) Description	(b) Book value
PREPAID EXPENSES	40,055
CSV OF KEY-MAN LIFE INSURANCE	60,933
DEPOSITS	5,702
BOND ISSUANCE COSTS, NET	43,900
PREPAID LOAN ISSUANCE COSTS	12,407
LONG TERM RECEIVABLE	6,052,053
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	6,215,050

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	

Schedule D (Form 990) 2008

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	19,213,666
2	Total expenses (Form 990, Part IX, column (A), line 25)	13,986,851
3	Excess or (deficit) for the year Subtract line 2 from line 1	-4,773,185
4	Net unrealized gains (losses) on investments	-3,019,297
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	
9	Total adjustments (net) Add lines 4 - 8	-3,019,297
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	-7,792,482

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	16,400,415
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments	2a-3,019,297
b	Donated services and use of facilities	2b123,974
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV)	2d82,072
e	Add lines 2a through 2d	2e-2,813,251
3	Subtract line 2e from line 1	39,213,666
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
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	59,213,666

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	114,192,897
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities	2a123,974
b	Prior year adjustments	2b
c	Losses reported on Form 990, Part IX, line 25	2c
d	Other (Describe in Part XIV)	2d82,072
e	Add lines 2a through 2d	2e206,046
3	Subtract line 2e from line 1	313,986,851
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
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	513,986,851

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 XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation
INTENDED USES OF ENDOWMENT FUNDS	SCHEDULE D, PART V, LINE 4	The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment The investment policy was developed with the long-term interests of the endowment in mind and adheres to accepted investment and financial management principles The investment policy is designed to ensure prudent management of the assets in order to serve the best long-term interests of the Foundation The Foundation expects its endowment funds, over time, to provide a total real rate of return of 5%, net of fees, over a three-year rolling average Actual returns in any given year may vary from this amount
RECONCILIATION OF REVENUE - OTHER DIFFERENCES	SCHEDULE D, PART XII, LINE 2D	\$ 82,072 SPECIAL EVENTS EXPENSES INCLUDED IN FINANCIAL STATEMENT EXPENSES
RECONCILIATION OF EXPENSES - OTHER DIFFERENCES	SCHEDULE D, PART XIII, LINE 2D	\$ 82,072 SPECIAL EVENTS EXPENSES INCLUDED IN FINANCIAL STATEMENT EXPENSES

SCHEDULE G
(Form 990 or 990-EZ)

Supplemental Information Regarding
Fundraising or Gaming Activities

OMB No 1545-0047

2008

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than \$15,000 on Form 990-EZ, line 6a.**

Name of the organization
NORTH CAROLINA MUSEUM OF ART FOUNDATION INC

Employer identification number

23-7071511

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a** ☒ Mail solicitations

b ☒ Email solicitations

c ☒ Phone solicitations

d ☒ In-person solicitations

e ☒ Solicitation of non-government grants

f ☒ Solicitation of government grants

g ☒ Special fundraising events

- 2a** 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 activities? ☒ **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. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(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
		Yes	No			
CAROL O'BRIEN ASSOCIATES	CAP CAMPGN CONSULTING		No	0	53,000	
Total ▶						

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

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

Revenue		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events	
		<u>FR OF GREEK ART</u>	<u>AFRICAN AM ART</u>	<u>5</u>	(Add col (a) through	
		(event type)	(event type)	(total number)	col (c))	
	1	Gross receipts	51,230	15,000	40,593	106,823
	2	Less Charitable contributions	1,450	15,000	1,250	17,700
3	Gross revenue (line 1 minus line 2)	49,780		39,343	89,123	
Direct Expenses	4	Cash Prizes				
	5	Non-cash Prizes				
	6	Rent/Facility costs				
	7	Other direct expenses	17,051	9,499	32,611	59,161
	8	Direct expense summary Add lines 4 through 7 in column (d) ▶				59,161
	9	Net income summary Combine lines 3 and 8 in column (d). ▶				29,962

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.

Revenue		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash 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 lines 1 and 7 in column (d) ▶				

		Yes	No
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?	9a	
b	If "No," Explain _____		
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b	If "Yes," Explain _____		
11	Does the organization operate gaming activities with nonmembers?	11	
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?	12	

	Yes	No
13 Indicate the percentage of gaming activity operated in		
a The organization's facility 13a		
b An outside facility 13b		
14 Provide 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? 15a		
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		
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? 17a		
b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____		

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
NORTH CAROLINA MUSEUM OF ART FOUNDATION INC

Grants and Other Assistance to Organizations,
Governments and Individuals in the U.S.

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

OMB No 1545-0047

2008

Open to Public
Inspection

Employer identification number
23-7071511

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?

☒ 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" on 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. Use Part IV and Schedule I-1 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
STATE OF NO CAROLINA DEPT CULTURAL RESOURCES109 EAST JONES STREET RALEIGH, NC 276994601		NC GOVERNMENT	4,725,039				INVESTMENT FOR THE BENEFIT OF THE MUSEUM EXPANSION PROJECT UNTIL SUCH FUNDS ARE REQUIRED TO PAY CONSTRUCTION COSTS

2

Enter total number of section 501(c)(3) and government organizations

1

3

Enter total number of other organizations

0

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) 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.
See Additional Data Table

Identifier	Return Reference	Explanation
MONITORING USE OF GRANT FUNDS	SCHEDULE I, PART I	The Foundation entered into a grant agreement with the State of North Carolina dated September 26, 2008. The purpose of the grant agreement is to provide the state with donated funds for the exclusive use in the Museum's expansion project for landscaping. During the period ended June 30, 2009, the Foundation provided the State of North Carolina grants of \$4,725,039 in support of the project.

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTH CAROLINA MUSEUM OF ART FOUNDATION INC

Employer identification number
23-7071511

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain.	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. ☒ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a:		
a Receive a severance payment or change of control payment?	4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4c	No
501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.		
5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a The organization?	5a	No
b Any related organization? If "Yes," to line 5a or 5b, describe in Part III.	5b	No
6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a The organization?	6a	No
b Any related organization? If "Yes," to line 6a or 6b, describe in Part III.	6b	No
7 For persons listed in form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7	No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8	No

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
LAWRENCE J WHEELER	(i)	0	125,000	15,338	13,961	0	154,299	125,000
	(ii)	298,976	0	0	8,846	4,006	311,828	0
CATERRI M WOODRUM	(i)	213,034	0	180	17,140	6,342	236,696	0
	(ii)	0	0	0	0	0	0	0
ELLEN D STONE	(i)	137,919	0	516	11,354	6,327	156,116	0
	(ii)	0	0	0	0	0	0	0
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information

[illegible]

Schedule K (Form 990)	Supplemental Information on Tax Exempt Bonds	OMB No 1545-0047
		2008
		Open to Public Inspection

Department of the Treasury
Internal Revenue Service

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a.
Provide descriptions, explanations, and any additional information in Schedule O.

Name of the organization NORTH CAROLINA MUSEUM OF ART FOUNDATION INC	Employer identification number 23-7071511
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Part I

Bond Issues (Required for 2008)

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
						Yes	No	Yes	No
A WAKE CO INDUSTR FACIL & POLLUT CONTROL FINAN AUTH	56-1352483		01-01-2008	7,176,605	NC MUSEUM OF ART EXPANSION PROJECT		X		X

Part II

Proceeds (Optional for 2008)

		A		B		C		D		E	
1	Total Proceeds of Issue										
2	Gross Proceeds in Reserve Funds										
3	Proceeds in Refunding or Defeasance Escrows										
4	Other Unspent Proceeds										
5	Issuance Costs from Proceeds										
6	Working Capital Expenditures from Proceeds										
7	Capital Expenditures from Proceeds										
8	Year of Substantial Completion										
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?										
10	Were the bonds issued as part of an advance refunding issue?										
11	Has the final allocation of proceeds been made?										
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III

Private Business Use (Optional for 2008)

			A		B		C		D		E	
			Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?											
2	Are there any lease arrangements with respect to the financed property which may result in private business use?											

Part III

Private Business Use (Continued)

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?										
3b	Are there any research agreements with respect to the financed property which may result in private business use?										
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4	Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government										
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another 501(c)(3) organization, or a state or local government										
6	Total of lines 4 and 5										
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

Part IV

Arbitrage (Optional for 2008)

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T been filed wth respect to the bond issue?										
2	Is the bond issue a variable rate issue?										
3a	Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?										
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?										
6	Did the bond issue qualify for an exception to rebate?										

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Non-Cash Contributions

To be completed by organizations that answered
"Yes" on Form 990, Part IV, lines 29 or 30.
Attach to Form 990

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization
NORTH CAROLINA MUSEUM OF ART FOUNDATION INC

Employer identification number
23-7071511

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
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	X	14	94,334	STOCK QUOTE
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 (describe TECHNOLOGY EQUIPMENT)	X	1	17,571	FAIR MARKET VALUE
26 Other (describe SUPPLIES)	X	5	11,437	FAIR MARKET VALUE
27 Other (describe)				
28 Other (describe)				
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				290

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?

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash
contributions?

33 If the organization did not report revenues in Column (c) for a type of property for which Column (a) is
checked, describe in Part II

Yes

No

30aNo

31Yes

32aNo

Part II

[illegible]

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTH CAROLINA MUSEUM OF ART FOUNDATION INC

Employer identification number
23-7071511

Identifier	Return Reference	Explanation
FORM 990 REVIEW PROCESS	FORM 990, PART VI - SECTION A, LINE 10	The NCMA Foundation's governance includes an Audit Committee operating under a formal charter. The Audit Committee serves as an independent and objective party to monitor the Foundation's financial and compliance reporting process including oversight of the 990 tax filing as well as its internal control system. The Audit Committee meets with external auditors and Foundation management to review the results of the annual audit and related financial statements and reviews the full 990 tax filing prior to its submission. The 990 is also reviewed by chief legal counsel.

Identifier	Return Reference	Explanation
MONITORING CONFLICTS OF INTEREST	FORM 990, PART VI - SECTION B, LINE 12C	The Audit Committee also serves as the ethics committee for the Foundation, overseeing the whistleblower, records retention, conflicts of interest and confidentiality policies. The Audit Committee Chairman is the independent party to which employees and board members may report any ethics concerns or possible conflicts of interest. The Committee meets at least twice per year and more often as necessary. Potential conflicts of interest are reviewed with the Foundation's Chief Deputy Director and Chief Financial Officer as needed for resolution. An annual acknowledgment process occurs with all board members and staff whereby they formally certify receipt of all governance policies and agreement to comply with them.

Identifier	Return Reference	Explanation
PROCESS FOR DETERMINING COMPENSATION	FORM 990, PART VI - SECTION B, LINE 15	The Personnel Committee of the Board of Directors has the primary governing responsibility of overseeing human resource matters and also works in conjunction with the Finance Committee as it relates to any financial impact of decisions taken. The Personnel Committee serves as an independent and objective party to monitor the Foundation's personnel, compensation, stipend and compliance processes as necessary. Their charter outlines specific responsibility for evaluating the performance of the Foundation's Chief employee (the Chief Deputy Director/ and Chief Financial Officer) and setting the senior employee's compensation level based on the results of this evaluation. The Museum Director is a state employee whose compensation is supplemented by the Foundation. The Director also has a consulting agreement with the Foundation under which he receives certain additional compensation upon Board discretion. The Personnel Committee's charter also outlines specific responsibility for evaluating the Museum Director's performance under this agreement and making recommendations to the full board with respect to compensation. To ensure any compensation recommendations are reasonable, the Personnel Committee meets and discusses annually the performance of both the Museum Director and the Foundation's Chief employee based upon specific goals and accomplishments outlined for the year. The Committee reviews the latest American Association of Museum's (AAM) annual salary survey as a basis for comparison of compensation reasonableness. The AAM survey provides benchmark data of US Museums by geographic area, population, and budget size for key museum positions. Final recommendations are submitted to the full board for approval and inclusion in the Foundation's operating budget.

Identifier	Return Reference	Explanation
MAKING INFORMATION AVAILABLE TO THE PUBLIC	FORM 990, PART VI - SECTION C, LINE 19	The Foundation's Articles of Incorporation are on file with the North Carolina Secretary of State and are publicly available. The Foundation's other governing documents, conflict of interest policies and financial statements are not generally made available to the general public except by specific request for purposes clearly identified and approved by the board. All Foundation employees have access to these documents on a shared intranet drive and independent contractors are provided with certain of these documents as appropriate to their legal relationship with the Foundation (example, conflicts of interest policy and sexual harassment policy) as specifically approved by the Board or as required for tax exempt organizations.

Additional Data

Software ID:

Software Version:

EIN: 23-7071511

Name: NORTH CAROLINA MUSEUM OF ART FOUNDATION INC

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
LAWRENCE J WHEELER , MUSEUM DIRECTOR	55 0	X		X				140,338	298,976	26,813
CATERRI M WOODRUM , CHIEF DEPUTY DIRECTOR & CFO	65 0	X		X				213,214	0	22,386
R PAXTON BADHAM JR , TREASURER	1 0	X		X				0	0	0
JEFFREY T BARBER , BOARD DIRECTOR	1 0	X						0	0	0
SCOTT CUSTER , BOARD DIRECTOR	1 0	X						0	0	0
JOSEPHINE R DARDEN , BOARD DIRECTOR	1 0	X						0	0	0
CLAY R DUNNAGAN , BOARD DIRECTOR	1 0	X						0	0	0
H SPENCER EVERETT JR , BOARD DIRECTOR	1 0	X						0	0	0
PHILIP G FREELON , BOARD DIRECTOR	1 0	X						0	0	0
RODNEY E GADDY , BOARD DIRECTOR	1 0	X						0	0	0
JOAN H GILLINGS , BOARD DIRECTOR	1 0	X						0	0	0
WILLIAM T HOBBS II , BOARD DIRECTOR	1 0	X						0	0	0
JOHN J JENKINS , BOARD DIRECTOR	1 0	X						0	0	0
JAMES Y KERR II , BOARD DIRECTOR	1 0	X						0	0	0
JOSEPH B C KLUTTZ , PRESIDENT	1 0	X		X				0	0	0
HARRIET B LONG , BOARD DIRECTOR	1 0	X						0	0	0
CHARLES C MCKINNEY , BOARD DIRECTOR	1 0	X						0	0	0
MARC D OKEN , BOARD DIRECTOR	1 0	X						0	0	0
L RICHARDSON PREYER JR , BOARD DIRECTOR	1 0	X						0	0	0
ORAGE QUARLES III , BOARD DIRECTOR	1 0	X						0	0	0
PETER M SCOTT III , VICE PRESIDENT	1 0	X		X				0	0	0
CHRISTY L SHAFFER , BOARD DIRECTOR	1 0	X						0	0	0
FRANK J TURNER , BOARD DIRECTOR	1 0	X						0	0	0
J ROBERT TYLER III , BOARD DIRECTOR	1 0	X						0	0	0
CHRISTOPHER R WEBSTER JR , BOARD DIRECTOR	1 0	X						0	0	0
MASON L WILLIAMS , SECRETARY	1 0	X		X				0	0	0
ROSEMARY WYCHE , BOARD DIRECTOR	1 0	X						0	0	0
STACEY M YUSKO , BOARD DIRECTOR	1 0	X						0	0	0
ELLEN D STONE , DIRECTOR DEVELOP & MEMBERSHIP	40 0					X		138,435	0	16,600
DANIEL P GOTTLIEB , DIRECTOR - PLANNING & DESIGN	40 0					X		125,744	0	15,602

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
KATHRYN F YANDELL , MAJOR GIFTS OFFICER/CAMPGN DIR	40 0					X		107,735	0	13,849

Form 990, Part III, Line 1 - Briefly describe the organization's mission:

THE NORTH CAROLINA MUSEUM OF ART FOUNDATION INC.'S PRIMARY MISSION IS TO FOSTER AND PROMOTE THE GROWTH, PROGRESS, AND GENERAL WELFARE OF THE NORTH CAROLINA MUSEUM OF ART. THE FOUNDATION IS PRIMARILY RESPONSIBLE FOR FUNDRAISING ON BEHALF OF THE MUSEUM AND PROVIDES NEARLY TWO THIRDS OF THE FUNDING REQUIRED TO OPERATE AND PROGRAM THE COMBINED (STATE AND FOUNDATION) ENTITY. IN ADDITION TO BEING THE PRIMARY FUNDRAISING ARM OF THE MUSEUM, THE FOUNDATION ALSO MANAGES A SIGNIFICANT MEMBERSHIP BASE FOR THE MUSEUM, AND OPERATES BOTH A RETAIL SHOP AND A FOOD SERVICE OPERATION FOR THE BENEFIT OF THE MUSEUM'S MEMBERS AND VISITORS.