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Return of Organization Exempt From Income Tax

2008

Open to Public
InspectionDepartment of the Treasury
Internal Revenue ServiceUnder 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		July 1	, 2008, and ending	June 30	, 2009
B Check if applicable		C Name of organization		D Employer identification number	
<input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending		The Arts Center Doing Business As Number and street (or P O box if mail is not delivered to street address) 300-G East Main St. City or town, state or country, and ZIP + 4 Carrboro, NC 27510		51 0198497 E Telephone number (919) 929-2787	
				G Gross receipts \$ 1,534,006.	
		F Name and address of principal officer		Edward Camp same as above	
				H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
I Tax-exempt status		J Website: ► www.ArtsCenterLive.org		H(c) Group exemption number ►	
K Type of organization		<input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►		L Year of formation	1975
				M State of legal domicile NC	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: The Arts Center nourishes the arts, creativity and community through education, performance and exhibition.		
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
Revenue	3 Number of voting members of the governing body (Part VI, line 1a)	3	9
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7
Expenses	5 Total number of employees (Part V, line 2a)	5	43
	6 Total number of volunteers (estimate if necessary)	6	321
Net Assets or Fund Balances	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	18,920.
	b Net unrelated business taxable income from Form 990-T, line 34.	7b	-0-
	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	IRS	280,882. 311,200.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		963,649. 1,040,819.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		656. 1,051.
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		106,457. 137,210.
			1,351,644. 1,490,280.
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		39,344 41,510.
	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)		523,678. 590,137.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		-0- 250.
	b Total fundraising expenses (Part IX, column (D), line 25) ►		106,664.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)		906,886.. 1,000,692.
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)		1,469,908. 1,632,589.
	19 Revenue less expenses Subtract line 18 from line 12		-118,264. -142,309.
		Beginning of Year	End of Year
	20 Total assets (Part X, line 16)	651,409.	562,622.
	21 Total liabilities (Part X, line 26)	802,005.	871,506.
22 Net assets or fund balances. Subtract line 21 from line 20	-150,596.	-308,884.	

Part II Signature Block

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			
	5-17-10			Date
Signature of officer	<i>Edward C. Camp, Executive Director</i>			Type or print name and title
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed ► <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ►	EIN ►		
		Phone no ►	()	

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

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

Cat No 11282Y

Form 990 (2008)

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission
The ArtsCenter nourishes the arts, creativity and community through education, performance and exhibition.

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 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 476,019, including grants of \$ 32,307.) (Revenue \$ 331,612.)
The Children's & Family Programs Department provides arts-based educational opportunities to over 25,000 youth and families in the Triangle region of NC through five main programs. The School Show Series presented 22 performances at The ArtsCenter for school groups this year. These performances, which link with curriculum, feature a variety of art forms and explore diverse cultures. Additionally, we collaborated with local PTA volunteers to coordinate 85 in-school shows by visiting performers this year. The SuperFun series presents shows for family audiences on the weekend, and produced 13 performances this year. The ArtsCenter also makes arts learning opportunities available to youth through direct contact with Teaching Artists. This summer, we offered over 27 camps, reaching over 400 campers. Our AfterSchool Arts Immersion filled the afterschool hours with artists' residencies that ranged from puppetry, painting and movie making to clowning and ceramics. Lastly, the Arts in Education program provided 11 hands-on arts integration residencies to over 500 area youth and 8 professional development workshops to over 60 area teachers and teaching artists. Overall, the C&F programs department aims to provide programs of high artistic quality that are accessible to all, promote understanding and have educational merit, and strengthen community partnerships.

4b (Code) (Expenses \$ 330,902, including grants of \$ 2,340.) (Revenue \$ 330,056.)
The Arts Center's ArtSchool, now in it's 35th year of existence, provides non-degree arts education to adults and children in a variety of disciplines. We offer beginning and advanced classes in drawing, painting, digital arts, writing, ceramics and sculpture, jewelry making and photography, as well as a wide assortment of classes in applied arts, theatre, music, dance, health and healing arts and cuisine. Classes run year-round with three semesters: fall, winter/spring, and summer. The ArtSchool increases community participation in, and appreciation of the arts, encourages emerging artists, and employs a significant number of teaching-artists. The program serves not only the residents of Carrboro and Chapel Hill, but the greater Triangle area, including residents of Durham, Hillsborough, Pittsboro, Cary, Apex and Raleigh. We promote the development of emerging artists through our annual Student Art Exhibit, our annual Instructor Art Exhibit and our annual Community Photo Contest and Exhibit, as well as our scholarships to economically disadvantaged patrons. In the past few years, we have expanded our drawing/painting and jewelry making curricula and created a digital arts classroom and curriculum. This year, The ArtSchool employed 82 teaching artists and offered over 550 classes, in which over 3,000 students registered.

4c (Code:) (Expenses \$ 231,394, including grants of \$ 6,863.) (Revenue \$ 201,197.)
The Youth Performing Arts Conservatory (YPAC) began in September 2005 as an acting program for young people ages 6-17. It is a year-round performing arts program with classes in fall, spring, and summer sessions. YPAC serves over 200 students annually from Chapel Hill, Carrboro, Durham, Hillsborough and Pittsboro. The Program stresses the education of actors through comprehensive classes in acting, musical theatre, dance, improv, stage combat, Shakespeare, radio drama, on-camera acting and more. The curriculum was designed with input from the acting and education community. In the summer of 2007, YPAC developed the Summer Youth Conservatory in partnership with UNC-Chapel Hill's PlayMakers Repertory Company to produce summer productions with casts of 35+ consisting entirely of kids ages 17 and younger. This 5-week program has two components: one for actors and another for technical theatre students, and is an annual event. In the fall of 2010, YPAC will produce a full-length play with student actors and designers, form a student touring troupe to perform throughout the local community on an ongoing basis, and expand class offerings to include non-performing classes in technical theatre, filmmaking, and rock music.

4d Other program services (Describe in Schedule O.)
 (Expenses \$ 245,203, including grants of \$ -0-) (Revenue \$ 177,954.)

4e Total program service expenses ► \$ 1,283,518. (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

- 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A
- 2 Is the organization required to complete Schedule B, Schedule of Contributors?
- 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
- 4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II
- 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
- 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
- 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
- 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III
- 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
- 10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V
- 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
- 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
- 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E
- 14a Did the organization maintain an office, employees, or agents outside of the U.S?
 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
- 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
- 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
- 17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I
- 18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II
- 19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III
- 20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H
- 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
- 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
- 23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J
- 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
 b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?
 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?
 d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?
- 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
 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
- 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
- 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

	Yes	No
1	✓	
2	✓	
3		✓
4		✓
5		✓
6	✓	
7		✓
8		✓
9		✓
10		✓
11	✓	
12		✓
13		✓
14a		✓
14b		✓
15		✓
16		✓
17		✓
18		✓
19		✓
20		✓
21		✓
22	✓	
23		✓
24a		✓
24b		✓
24c		✓
24d		✓
25a		✓
25b		✓
26	✓	
27		✓

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)? If "Yes," complete Schedule L, Part IV	28a	✓
b Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV	28b	✓
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? If "Yes," complete Schedule L, Part IV	28c	✓
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	✓
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	✓
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	✓
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33	✓
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	✓
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35	✓
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	✓
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37	✓

Part V Statements Regarding Other IRS Filings and Tax Compliance

	Yes	No
1a Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S. Information Returns Enter -0- if not applicable	1a 1b	121 -0-
1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	✓
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	43
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note.</i> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	2b	✓
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	✓
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	✓
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	✓
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	✓
c If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a Did the organization solicit any contributions that were not tax deductible?	6a	✓
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 more than \$75?	7a	✓
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	✓
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	✓
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	✓
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 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

1a Enter the number of voting members of the governing body 1a 9
 b Enter the number of voting members that are independent 1b 7

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? 2 ✓
 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? 3 ✓
 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? 4 ✓
 5 Did the organization become aware during the year of a material diversion of the organization's assets? 5 ✓
 6 Does the organization have members or stockholders? 6 ✓
 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? 7a ✓
 b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? 7b ✓
 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following
 a The governing body? 8a ✓
 b Each committee with authority to act on behalf of the governing body? 8b ✓
 9a Does the organization have local chapters, branches, or affiliates?
 b 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? 9a ✓
 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 10 ✓
 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 11 ✓

Section B. Policies

12a Does the organization have a written conflict of interest policy? If "No," go to line 13
 b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12a ✓
 c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done 12b ✓
 12c ✓
 13 Does the organization have a written whistleblower policy? 13 ✓
 14 Does the organization have a written document retention and destruction policy? 14 ✓
 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision
 a The organization's CEO, Executive Director, or top management official? 15a ✓
 b Other officers or key employees of the organization? 15b ✓
 Describe the process in Schedule O. (see instructions)
 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?
 b 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? 16a ✓
 16b ✓

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ►None
 18 Section 6104 requires an organization to make its Forms 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
 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► Natalie Griffin; 300-G East Main Street, Carrboro, NC 27510; 919-929-2787 x211

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(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			
Aaron Nelson								
Member - Board of Directors	0.5	✓				-0-	-0-	-0-
Sandra Padden	0.5	✓				-0-	-0-	-0-
Member - Board of Directors	0.5	✓				-0-	-0-	-0-
Walter Sturdivant	-0-					-0-	-0-	-0-
Member - Board of Directors	-0-	✓				-0-	-0-	-0-
Dan Shannon	-0-					-0-	-0-	-0-
Member - Board of Directors	-0-	✓				-0-	-0-	-0-
Kit Ballew	0.5	✓				-0-	-0-	-0-
Member - Board of Directors	0.5	✓				-0-	-0-	-0-
Jacques Menache	1	✓				-0-	-0-	-0-
Member - Board of Directors	1	✓				-0-	-0-	-0-
Gail Fairbanks	1	✓				-0-	-0-	-0-
Member - Board of Directors	1	✓				-0-	-0-	-0-
Sallie Scharding	1	✓				-0-	-0-	-0-
Member - Board of Directors	1	✓				-0-	-0-	-0-
Nan Vanderpuy	1		✓			-0-	-0-	-0-
Member - Board of Directors	1		✓			-0-	-0-	-0-
Donald Boulton	3		✓			-0-	-0-	-0-
Interim Chair - Board of Directors	3		✓			-0-	-0-	-0-
Karen Regan	3		✓			-0-	-0-	-0-
Vice-Chair - Board of Directors	3		✓			-0-	-0-	-0-
James Pomroy	2		✓			-0-	-0-	-0-
Treasurer - Board of Directors	2		✓			-0-	-0-	-0-
Dan Krebill	2		✓			-0-	-0-	-0-
Secretary - Board of Directors	2		✓			-0-	-0-	-0-
Jonathan Wilner	40		✓			63,000.	-0-	12,687.
Executive Director - Staff								

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

1b Total ► 63,000. -0- 12,687.

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ► 0

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

Compensation from the organization		
	(A) Name and business address	(B) Description of services
(C) Compensation		
N/A		
2	Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ► 0	

Part VIII Statement of Revenue				
		(A) Total revenue	(B) Related or exempt function revenue	
		(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a -0-		
	1b Membership dues	1b 23,040.		
	1c Fundraising events	1c 4,679.		
	1d Related organizations	1d -0-		
	1e Government grants (contributions)	1e 109,349.		
	f All other contributions, gifts, grants, and similar amounts not included above	1f 174,132.		
	g Noncash contributions included in lines 1a-1f	g \$ 7,866.		
	h Total. Add lines 1a-1f	h ► 311,200.		
Program Service Revenue		Business Code		
	2a Program Tuition	611600	729,412.	
	b Musical Performance	711130	234,455.	
	c Theatre Performance	711110	71,342.	
	d Space Rental	531190	5,610.	
	e			
	f All other program service revenue			
	g Total. Add lines 2a-2f	► 1,040,819.		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		1,051.	1,051.
	4 Income from investment of tax-exempt bond proceeds		-0-	
	5 Royalties		-0-	
	6a Gross Rents	(i) Real 39,710.	(ii) Personal	
	b Less. rental expenses	20,996.		
	c Rental income or (loss)	18,714.		
	d Net rental income or (loss)	► 18,714.		18,714.
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other	
b Less cost or other basis and sales expenses	-0-	-0-		
c Gain or (loss)	-0-	-0-		
d Net gain or (loss)	► -0-			
8a Gross income from fundraising events (not including \$ 4,679. of contributions reported on line 1c). See Part IV, line 18	a 3,217.			
b Less. direct expenses	b 1,066.			
c Net income or (loss) from fundraising events	► 2,151.		2,151.	
9a Gross income from gaming activities See Part IV, line 19	a -0-			
b Less. direct expenses	b -0-			
c Net income or (loss) from gaming activities	► -0-			
10a Gross sales of inventory, less returns and allowances	a 53,335.			
b Less. cost of goods sold	b 21,664.			
c Net income or (loss) from sales of inventory	► 31,671.		31,671.	
Miscellaneous Revenue		Business Code		
11a Advertising Revenue	541800	18,920.	18,920.	
b Other/Miscellaneous	900099	65,754.	65,754.	
c				
d All other revenue				
e Total. Add lines 11a-11d	► 84,674.			
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e	► 1,490,280.	1,040,819.	18,920.	119,341.

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).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(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	-0-			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	41,510.	41,510.		
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	61,788.	15,447.	46,341.	
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	418,408.	336,319.	16,415.	65,674.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,337.	936.	1,254.	147.
9 Other employee benefits	71,390.	44,708.	17,891.	8,791.
10 Payroll taxes	36,214.	19,137.	12,636.	4,441.
11 Fees for services (non-employees).				
a Management	-0-			
b Legal	-0-			
c Accounting	30,638.		30,638.	
d Lobbying	-0-			
e Professional fundraising services See Part IV, line 17	250.			250.
f Investment management fees	-0-			
g Other	5,944.		5,944.	
12 Advertising and promotion	64,211.	34,991.	17,425.	11,795.
13 Office expenses	10,381.	3,933.	6,050.	398.
14 Information technology	19,649.	15,916.	2,554.	1,179.
15 Royalties	1,438.	1,438.		
16 Occupancy	88,366.	68,402.	14,608.	5,356.
17 Travel	988.	988.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	-0-			
19 Conferences, conventions, and meetings	2,468.	145.	1,965.	358.
20 Interest	27,399.		27,399.	
21 Payments to affiliates	-0-			
22 Depreciation, depletion, and amortization	28,333.	22,950.	3,683.	1,700.
23 Insurance	16,565.	16,565.		
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 Performance Production Costs/Fees	250,631.	249,504.	1,127.	
b Program Instructors	357,085.	357,085.		
c Bank/Merchant Fees	23,592.		23,592.	
d Postage/Mailing	12,056.	4,689.	3,034.	4,333.
e Afterschool Transportation Cost	27,035.	27,035.		
f All other expenses Misc.	33,913.	21,820.	9,851.	2,242.
25 Total functional expenses. Add lines 1 through 24f	1,632,589.	1,283,518.	242,407.	106,664.
26 Joint Costs. Check here ► <input type="checkbox"/> 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	17,683.	1	-20,293.
	2 Savings and temporary cash investments	20,120.	2	952.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	9,672.	4	5,407.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	22,073.	9	16,775.
	10a Land, buildings, and equipment: cost basis	10a 1,489,303.		
	b Less: accumulated depreciation. Complete Part VI of Schedule D	10b 938,804.	10c 578,833.	550,499.
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	3,028.	15	9,282.
	16 Total assets. Add lines 1 through 15 (must equal line 34)	651,409.	16	562,622.
Liabilities	17 Accounts payable and accrued expenses	53,880.	17	140,799.
	18 Grants payable		18	
	19 Deferred revenue	168,634.	19	160,378.
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	20,750.
	23 Secured mortgages and notes payable to unrelated third parties	442,162.	23	424,200.
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D	137,329.	25	125,379.
	26 Total liabilities. Add lines 17 through 25	802,005.	26	871,506.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	-187,883.	27	-327,782.
	28 Temporarily restricted net assets	37,287.	28	18,898.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> 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	-150,596.	33	-308,884.
	34 Total liabilities and net assets/fund balances	651,409.	34	562,622.

Part XI Financial Statements and Reporting

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?

b Were the organization's financial statements audited by an independent accountant?

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?

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?

b If "Yes," did the organization undergo the required audit or audits?

	Yes	No
2a	✓	
2b	✓	
2c		
3a	✓	
3b		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

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

OMB No 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization

The Arts Center

Employer identification number

51 : 0198497

Part I **Reason for Public Charity Status** (All organizations must complete this part.) (see instructions)

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

1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
 3 A hospital or 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 33½ % 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 33½ % 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 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)	
11g(ii)	
11g(iii)	

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

h Provide the following information about the organizations the organization supports

For Pr

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						► <input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33½% support test—2008. If the organization did not check the box on line 13, and line 14 is 33½% or more, check this box and stop here. The organization qualifies as a publicly supported organization		► <input type="checkbox"/>
b 33½% support test—2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33½% or more, check this box and stop here. The organization qualifies as a publicly supported organization		► <input type="checkbox"/>
17a 10%-facts-and-circumstances test—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		► <input type="checkbox"/>
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		► <input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		► <input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I.)
Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 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.")	249,524.	250,417.	264,823.	280,822.	303,744.	1,349,330.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	720,369.	887,472.	978,463.	958,620.	1,013,890.	4,558,814.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5	969,893.	1,137,889.	1,243,286.	1,239,442.	1,317,634.	5,908,144.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						5,908,144.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	969,893.	1,137,889.	1,243,286.	1,239,442.	1,317,634.	5,908,144.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	31,469.	27,716.	37,568.	36,884.	47,402.	181,039.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975	32,664.	22,455.	23,735.	36,080.	18,920.	133,854.
c Add lines 10a and 10b	64,133.	50,171.	61,303.	72,964.	66,322.	314,893.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	7,674.					7,674.
13 Total support. (Add lines 9, 10c, 11, and 12.)						6,230,711.

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	94.8229 %
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	91.5318 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	5.0539 %
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	2.6227 %
19a 33 1/3 % support tests—2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and stop here . The organization qualifies as a publicly supported organization ► <input checked="" type="checkbox"/>		
b 33 1/3 % support 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 ► <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

Supplemental Financial Statements

2008

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

► 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.

Name of the organization

The Arts Center

Employer identification number

5 0198497

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	1	
2 Aggregate contributions to (during year)	-0-	
3 Aggregate grants from (during year)	20,000.	
4 Aggregate value at end of year	952.	

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 important 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
2a	
2b	
2c	
2d	

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 section 170(h)(4)(B)(ii)? Yes No

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

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

1a If the organization elected, as permitted under SFAS 116, 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 <input type="checkbox"/> Public exhibition	d <input type="checkbox"/> Loan or exchange programs
b <input type="checkbox"/> Scholarly research	e <input type="checkbox"/> Other _____
c <input type="checkbox"/> Preservation for future generations	

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 organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

	Amount
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 organization answered "Yes" to Form 990, Part IV, line 10.

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

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ► %
 b Permanent endowment ► %
 c Term endowment ► %

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

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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

Yes	No
3a(i)	
3a(ii)	
3b	

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	129,126.			129,126.
b Buildings	1,182,499.		810,285.	372,214.
c Leasehold improvements	77,917.		49,059.	28,858.
d Equipment	92,261.		74,335.	17,926.
e Other	7,500.		5,125.	2,375.

Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c)) ► **550,499.**

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		

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

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

(a) Description	(b) Book value
Prepaid State & County taxes to be reimbursed	5,931.
Suspense for unknown	3,351.

Total. (Column (b) should equal Form 990, Part X, col. (B) line 15.)

Part X Other Liabilities. See Form 990, Part X, line 25.	
(a) Description of liability	(b) Amount
Federal income taxes	
Line of Credit	111,149.
Credit Card Balance	14,230.
Total. (Column (b) should equal Form 990, Part X, col. (B) line 25) ►	125,379

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

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)	1,490,280
2	Total expenses (Form 990, Part IX, column (A), line 25)	1,632,589
3	Excess or (deficit) for the year. Subtract line 2 from line 1	-142,309
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	-15,979
8	Other (Describe in Part XIV)	
9	Total adjustments (net). Add lines 4-8	-15,979
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	-158,288

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

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
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.)	5	

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

1	Total expenses and losses per audited financial statements	1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:	
a	Donated services and use of facilities	2a
b	Prior year adjustments	2b
c	Losses reported on Form 990, Part IX, line 25	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
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)	5

Part XIV **Supplemental Information**

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

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.

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

3 Enter total number of other organizations

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Part III Grants and Other Assistance to Individuals in the United States 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
ArtSchool Scholarships	26		2,340.	FMV	ArtSchool class tuition
Youth Performing Arts Conservatory Scholarships	9		6,863.	FMV	YPAC semester tuition
Children's & Family Services Scholarships	875		32,307.	FMV	See part IV

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

Part I, Line 2: All scholarships awarded at The ArtsCenter are to cover the cost of tuition or admission for the programs and services offered by our organization. There is no actual transfer of cash to the recipient, and therefore no concern regarding misuse of funds. Program directors register the scholarship recipients into the awarded classes or issue tickets to the awarded performances and student registrations/tickets are collected by staff at the time of the class, program or event.

Part III, Line 3, column f: Scholarships granted through the Children's and Family Services department allow underprivileged children to attend School Shows (\$5,830.), attend the AfterSchool Arts Immersion Program (\$24,083.), and attend Summer ArtsCamp (\$2,394).

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No 1545-0047

2008

**Open To Public
Inspection**

Department of the Treasury
Internal Revenue Service

► To be completed by organizations that answered
"Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V, line 38a or 40b.

Name of the organization

Employer identification number

51 | 0198497

Part I **Excel**

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

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ► \$ _____
3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ► \$ _____

Part II Loans to and/or From Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

Part III Grants or Assistance Benefitting Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27

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

Part IV Business Transactions Involving Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

SCHEDULE O
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990**

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008Open to Public
InspectionName of the organization
The Arts CenterEmployer identification number
51 0198497

Part III, line 4d: The ArtsCenter Stage annually produces and presents over 20 different productions amounting to over 70 performances. Through our productions each year, we provide opportunities for over 100 emerging and established actors, directors, designers, and playwrights. We demonstrate our commitment to new works through our annual 10 By 10 (a festival of new ten-minute plays featuring scripts from all over the world), PlaySlam (an evening of very short plays featuring local playwrights), and the Playwrights Roundtable (The ArtCenter's resident playwrights laboratory). We demonstrate our commitment to young artists through our annual winter production; a collaboration with The ArtsCenter's Youth Performing Arts Conservatory featuring artists ages ten to adult. Through our presentations, we provide a home for itinerant local theatre companies. This year, we partnered with nine local theatre companies, each employing their own artists and serving different audiences. For example, Transactors Improv has been in residence at The ArtsCenter for over 25 years and is a staple of the Triangle theatre community. Hidden Voices gives a voice to under served members of our population. Their 2008 production worked with survivors of domestic violence. Company Carolina and One Song Productions are two student groups respectively featuring college and high school artists. Odyssey Stage's Readers Theatre at Lunch, by contrast, is a play-reading series for and by retirees. And Paperhand Puppet Intervention features professional puppeteers and musicians and serves audiences from across the Triangle and Triad. We are a theatre of variety both in terms of artists and in terms of audiences.

The ArtsCenter's Concerts program has sold nearly 10,000 tickets for shows in our intimate 355 seat theater over the past eight years. Including an average of 60 concerts each year, the program is driven by our mission to nourish the arts, creativity and community through education, performance and exhibition. For three and a half decades, we have presented the talents of world-famous, Grammy-winning musicians such as Mavis Staples and Dr. John. Equally as significant, The ArtsCenter has showcased the cultural heritage of local and regional talent rarely heard in other places. Many local acts will open for blues, soul, or folk legends - the pioneers of their genres. Others headline their own shows, and are listed next to these legends in our marketing materials. Several local bands in our annual American Roots Series have gone on to become huge headliners of world tours. By nourishing our local talent and showcasing national stars, The ArtsCenter creates a sense of community for the performers and their audiences.

Name of the organization

The Arts Center

Employer identification number

51 | 0198497

Part VI, Section B, Line 12c: Each board member is required to sign a conflict of interest Policy as a part of orientation training. The Board Development Committee monitors the collection of the statements, and each board member has an explanation of the policy in his or her manual. As the policy states, every board member is charged with reporting compliance issues, and concerns are to be brought before the Executive Board. If a conflict of interest issue occurs, a hearing is held to determine steps to address the matter.

Part VI, Section C, Line 19: Governing documents, conflict of interest policy, and The Arts Center's 990/990-T are available to the public upon request during regular business hours (Monday through Friday, 10 a.m. to 6 p.m.) at our home location: 300-G East Main Street, Carrboro, NC 27510.

Part VI, Section B, Line 15: Compensation for our Executive Director and any other officer is discussed by the entire board of directors. Steps to deciding compensation include determining a range based on comparable employees in similar local and regional organizations, and making an offer within that range taking into account the candidate's experience, skills, and expected roles within the organization. The board elects a director to act as a liaison for the purposes of offering and negotiating compensation with the prospective employee. A final decision is made by the Board of Directors.