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Form 990

Return of Organization Exempt From Income Tax

2009

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

B Check if applicable	C Name of organization THE ARTS CENTER		D Employer identification number 51-0198497
<input type="checkbox"/> Address change	Doing Business As The ArtsCenter		E Telephone number (919) 929-2787
<input type="checkbox"/> Name change	Number and street (or P O box if mail is not delivered to street address) 300-G East Main Street	Room/suite	G Gross receipts \$ 1,430,074
<input type="checkbox"/> Initial return			
<input type="checkbox"/> Terminated			
<input type="checkbox"/> Amended return			
<input type="checkbox"/> Application pending			
F Name and address of principal officer Donald Boulton 300-G East Main Street Carrboro, NC 27510		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

I Tax-exempt status 501(c) (3) (insert no) 4947(a)(1) or 527

J Website: ► www.ArtsCenterLive.org

K Form of organization Corporation Trust Association Other ► L Year of formation 1975 M State of legal domicile NC

Part I Summary

1 Briefly describe the organization's mission or most significant activities The ArtsCenter nourishes the arts, creativity and community through education, performance and exhibition	
2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets	
3 Number of voting members of the governing body (Part VI, line 1a)	3 15
4 Number of independent voting members of the governing body (Part VI, line 1b)	4 14
5 Total number of employees (Part V, line 2a)	5 50
6 Total number of volunteers (estimate if necessary)	6 124
7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a 24,250
b Net unrelated business taxable income from Form 990-T, line 34	7b 0

8 Contributions and grants (Part VIII, line 1h)	Prior Year 311,200	Current Year 404,277
9 Program service revenue (Part VIII, line 2g)	1,040,819	897,185
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,051	11
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	137,210	83,244
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,490,280	1,384,717

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	41,510	40,973
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)	590,137	560,158
16a Professional fundraising fees (Part IX, column (A), line 11e)	250	8,705
b Total fundraising expenses (Part IX, column (D), line 25) ► 105,817		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	1,000,692	1,039,945
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	1,632,589	1,649,781
19 Revenue less expenses Subtract line 18 from line 12	-142,309	-265,064

20 Total assets (Part X, line 16)	Beginning of Current Year 562,622	End of Year 586,979
21 Total liabilities (Part X, line 26)	871,506	1,147,026
22 Net assets or fund balances Subtract line 21 from line 20	-308,884	-560,047

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge		
Signature of officer Donald Boulton Interim Executive Director Type or print name and title		2011-05-16 Date

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

Part III Statement of Program Service Accomplishments**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 \$ 444,183 including grants of \$ 29,941) (Revenue \$ 278,013)

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 17 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 77 in-school shows by visiting performers this year. The SuperFun series presents shows for family audiences on the weekend, and produced 11 performances this year. The ArtsCenter also makes arts learning opportunities available to youth through direct contact with Teaching Artists. This summer, we offered 29 camps, reaching 374 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 9 hands-on arts integration residencies to over 470 area youth and 9 professional workshops to about 80 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, have educational merit, and strengthen community partnerships.

4b (Code) (Expenses \$ 323,528 including grants of \$ 3,632) (Revenue \$ 284,728)

The ArtsCenter's ArtSchool, now in its 36th 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 544 classes, in which 2,900 students registered.

4c (Code) (Expenses \$ 216,471 including grants of \$ 7,400) (Revenue \$ 133,680)

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 students from Chapel Hill, Carrboro, Durham, Hillsborough and Pittsboro. The program stresses the education of actors through comprehensive classes in acting, musical theater, dance, improv, stage combat, Shakespeare, on-camera acting and more. The original 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 run a summer program with classes for actors and theater technicians resulting in a full-fledged production. In 2010, YPAC co-produced two full-length plays, one with student actors and student designers, the other with student actors working alongside adult actors and adult designers. In 2010, YPAC also formed a touring troupe, which performed throughout the local community and has expanded class offerings to include filmmaking and rock band classes. This year, YPAC employed 41 instructors, and offered over 50 classes in which over 380 students registered. Overall, the YPAC program provides a comprehensive understanding of the performing arts, exploration of a variety of performing arts techniques and participation in performance opportunities.

4d Other program services (Describe in Schedule O) See also Additional Data for Description

(Expenses \$ 281,054 including grants of \$ 0) (Revenue \$ 200,764)

4e Total program service expenses \$ 1,265,236

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 similar funds or 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, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V

11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.

- Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.
- Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.
- Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.
- Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.
- Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.
- Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.

12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII

12A Was the organization included in consolidated, independent audited financial statements for the tax year?

Yes	No
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 If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional

12A	No
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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 United States?

- b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? 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 U.S.? 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 U.S.? If "Yes," complete Schedule F, Part III

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III

20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H

	Yes	No
1	Yes	
2	Yes	
3		No
4		No
5		
6	Yes	
7		No
8		No
9		No
10		No
11	Yes	
12		No
13		No
14a		No
14b		No
15		No
16		No
17		No
18		No
19		No
20		No

Part IV Checklist of Required Schedules (continued)

21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States 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 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III

23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J

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 line 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 Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I

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, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III

28 Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)

a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV

b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV

c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? If "Yes," complete Schedule L, Part IV

29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M

30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M

31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I

32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II

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

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

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

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

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

38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O

21		No
22	Yes	
23		No
24a		No
24b		
24c		
24d		
25a		No
25b		No
26	Yes	
27		No
28a		No
28b		No
28c		No
29	Yes	
30		No
31		No
32		No
33		No
34		No
35		No
36		No
37		No
38	Yes	

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	1a 161	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0	
1c	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	2a 50	
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	2b Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b Yes	
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	
4b	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	
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b No	
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a No	
6b	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).	7a	
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	
7d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.	9a	
9a	Did the organization make any taxable distributions under section 4966?	9a	
9b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter	10a	
10a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter	11a	
11a	Gross income from members or shareholders	11a	
11b	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	
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

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

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body . . .	1a	15	
b Enter the number of voting members that are independent . . .	1b	14	
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		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?	3		No
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5		No
6 Does the organization have members or stockholders?	6		No
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a The governing body?	8a	Yes	
b Each committee with authority to act on behalf of the governing body?	8b		No
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

		Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a		No
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?	10b		
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13 Does the organization have a written whistleblower policy?	13		No
14 Does the organization have a written document retention and destruction policy?	14	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?			
a The organization's CEO, Executive Director, or top management official	15a	Yes	
b Other officers or key employees of the organization	15b	Yes	
If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
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?	16b		

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 ►
 Natalie Griffin
 300-G East Main Street
 Carrboro, NC 27510
 (919) 929-2787

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. Report compensation for the calendar year ending with or within the organization's tax year. 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 all of the organization's **current** key employees. See instructions for definition of "key employee."

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

• List all of the organization's **former** officers, key employees, or 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 current or former 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	Highest compensated employee			
William Branson Member - Board of Directors	1	X					0	0	0
Brent Burkhardt Member - Board of Directors	1	X					0	0	0
Andrea Foushee Member - Board of Directors	25	X					0	0	0
James Harris Member - Board of Directors	25	X					0	0	0
Betsy James Member - Board of Directors	2	X					0	0	0
Angela Lee Member - Board of Directors	25	X					0	0	0
Barbara McFadyen Member - Board of Directors	1 5	X					589	0	0
Les Sapp Member - Board of Directors	5	X					0	0	0
Dan Shannon Member - Board of Directors	25	X					0	0	0
Phil Szostak Member - Board of Directors	1	X					0	0	0
Kara Taff Member - Board of Directors	1	X					0	0	0
Karen Regan Chair - Board of Directors	4 5		X				0	0	0
Bryan Monteith Vice-Chair - Board of Directors	2 5		X				0	0	0
Sandra Padden Treasurer - Board of Directors	2		X				0	0	0
Dan Krebill Secretary - Board of Directors	2		X				0	0	0
Edward Camp Executive Director - Staff	40		X				28,333	0	2,256

1b Total	28,922	0	2,256
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **0**

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

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

(A) Name and business address	(B) Description of services	(C) Compensation
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 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 446					
	b Membership dues	1b 26,690					
	c Fundraising events	1c -7,265					
	d Related organizations	1d 0					
	e Government grants (contributions)	1e 95,123					
	f All other contributions, gifts, grants, and similar amounts not included above	1f 289,283					
	g Noncash contributions included in lines 1a-1f \$ 34,387						
	h Total. Add lines 1a-1f		404,277				
Program Service Revenue	Business Code						
			2a Program Tuition	611,600	609,402	609,402	0 0
			b Musical Performance	711,130	226,852	226,852	0 0
			c Theatre Performance	711,110	60,931	60,931	0 0
			d				
			e				
	f All other program service revenue		0	0	0 0		
	g Total. Add lines 2a-2f		897,185				
Other Revenue	Investment income (including dividends, interest and other similar amounts)						
				11	0	0 11	
				0	0	0 0	
				0	0	0 0	
	5 Royalties						
	6a Gross Rents	(I) Real	(II) Personal				
		34,506	0				
		21,289	0				
13,217		0					
6b Less rental expenses							
c Rental income or (loss)							
d Net rental income or (loss)		13,217	0	0 13,217			
7a Gross amount from sales of assets other than inventory	(I) Securities	(II) Other					
	0	0					
	0	0					
	0	0					
b Less cost or other basis and sales expenses							
c Gain or (loss)							
d Net gain or (loss)		0	0	0 0			
8a Gross income from fundraising events (not including \$ -7,265 of contributions reported on line 1c) See Part IV, line 18							
a	2,148						
b Less direct expenses	b 777						
c Net income or (loss) from fundraising events		1,371	0	0 1,371			
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	0	0 0			
10a Gross sales of inventory, less returns and allowances							
a	58,354						
b Less cost of goods sold	b 23,291						
c Net income or (loss) from sales of inventory		35,063	0	0 35,063			
Miscellaneous Revenue		Business Code					
11a Advertising Revenue		541,800	24,250	24,250	0		
b Other/Miscellaneous		900,099	9,343	0	9,343		
c							
d All other revenue		0	0	0	0		
e Total. Add lines 11a-11d		33,593					
12 Total revenue. See Instructions		1,384,717	897,185	24,250	59,005		

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	0	0		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	40,973	40,973		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	83,721	75,281	8,440	
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	0		
7 Other salaries and wages	379,426	297,219	38,246	43,961
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,761	951	303	507
9 Other employee benefits	61,485	28,537	24,415	8,533
10 Payroll taxes	33,765	29,541	3,571	653
11 Fees for services (non-employees)				
a Management	4,307	4,307		
b Legal	0	0		
c Accounting	24,096		24,096	
d Lobbying	0	0		
e Professional fundraising See Part IV, line 17	8,705			8,705
f Investment management fees	0	0		
g Other	7,723		7,723	
12 Advertising and promotion	109,335	70,057	24,837	14,441
13 Office expenses	11,644	3,879	6,834	931
14 Information technology	25,470	18,242	2,323	4,905
15 Royalties	4,817	4,817		
16 Occupancy	100,046	66,253	18,763	15,030
17 Travel	2,558	2,031		527
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0		
19 Conferences, conventions, and meetings	1,881	408	829	644
20 Interest	51,970		51,970	
21 Payments to affiliates	0	0		
22 Depreciation, depletion, and amortization	28,044	20,497	2,625	4,922
23 Insurance	18,493		18,493	
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	226,437	225,176	1,261	
b Program Instructors	315,686	315,686	0	
c Bank/Merchant Fees	29,716	0	29,716	
d AfterSchool Transportation Cost	26,675	26,675	0	
e Postage/Mailing	7,949	5,227	2,238	484
f All other expenses	43,098	29,479	12,045	1,574
25 Total functional expenses. Add lines 1 through 24f	1,649,781	1,265,236	278,728	105,817
26 Joint costs. Check here <input checked="" 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	-20,293	1 38,405
	2 Savings and temporary cash investments	952	2 963
	3 Pledges and grants receivable, net	3	
	4 Accounts receivable, net	5,407	4
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) 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	16,775	9 13,024
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	1,494,478
	b Less accumulated depreciation	10b	966,848
		550,499	10c 527,630
	11 Investments—publicly traded securities	11	
	12 Investments—other securities See Part IV, line 11	12	0
	13 Investments—program-related See Part IV, line 11	13	
	14 Intangible assets	14	
	15 Other assets See Part IV, line 11	9,282	15 6,957
	16 Total assets. Add lines 1 through 15 (must equal line 34)	562,622	16 586,979
Liabilities	17 Accounts payable and accrued expenses	140,799	17 166,892
	18 Grants payable	18	
	19 Deferred revenue	160,378	19 165,874
	20 Tax-exempt bond liabilities	20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D	21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	22	17,000
	23 Secured mortgages and notes payable to unrelated third parties	424,200	23 739,753
	24 Unsecured notes and loans payable to unrelated third parties	24	
	25 Other liabilities Complete Part X of Schedule D	125,379	25 57,507
	26 Total liabilities. Add lines 17 through 25	871,506	26 1,147,026
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	-327,782	27 -580,000
	28 Temporarily restricted net assets	18,898	28 19,953
	29 Permanently restricted net assets	0	29 0
	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	-308,884	33 -560,047
	34 Total liabilities and net assets/fund balances	562,622	34 586,979

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990 Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

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

c If "Yes," to 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?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both
 Separate basis Consolidated basis Both consolidated and separated basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		No
2b		No
2c		
3a		No
3b		

2009

Open to Public
Inspection**SCHEDULE A**
(Form 990 or 990EZ)**Public Charity Status and Public Support**

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

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

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

1 A church, convention of churches, or association of churches **section 170(b)(1)(A)(i)**.

2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)

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

4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state

5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)

6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.

7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III)

10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.

11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h

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 supported organization(s)

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

(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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 501(c)(3) organization, check this box and stop here						►

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization		►
b 33 1/3% support test—2008. 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—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		►

Part III Support Schedule for Organizations Described in 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	250,417	264,823	280,822	303,744	411,542	1,511,348
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	887,472	978,463	958,620	1,013,890	897,185	4,735,630
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	1,137,889	1,243,286	1,239,442	1,317,634	1,308,727	6,246,978
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						6,246,978

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	1,137,889	1,243,286	1,239,442	1,317,634	1,308,727	6,246,978
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	27,716	37,568	36,884	47,402	34,517	184,087
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975	22,455	23,735	36,080	18,920	24,250	125,440
c Add lines 10a and 10b	50,171	61,303	72,964	66,322	58,767	309,527
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11 and 12)	1,188,060	1,304,589	1,312,406	1,383,956	1,367,494	6,556,505

14 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** 

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	95 279 %
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	94 823 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	4 721 %
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	5 054 %
19a 33 1/3% support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

2009

Open to Public
Inspection**SCHEDULE D**
(Form 990)**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions.

Department of the Treasury
Internal Revenue Service**Name of the organization**

THE ARTS CENTER

Employer identification number

51-0198497

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	0
2 Aggregate contributions to (during year)	0	0
3 Aggregate grants from (during year)	0	0
4 Aggregate value at end of year	963	0

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 for any other purpose conferring impermissible private benefit? Yes No

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

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

Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically importantly land area

Protection of natural habitat Preservation of a 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	

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, handling of violations, and enforcement of the conservation easements it holds? Yes No

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

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 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 d Loan or exchange programs
 b Scholarly research e Other
 c 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 Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

	Amount
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					
1b Contributions					
1c Investment earnings or losses					
1d Grants or scholarships					
1e Other expenditures for facilities and programs					
1f Administrative expenses					
1g 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

	Yes	No
3a(i) unrelated organizations		
3a(ii) related organizations		
3b 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

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) Accumulated depreciation	(d) Book value
1a Land		129,126	0		129,126
1b Buildings		1,182,499	0	824,269	358,230
1c Leasehold improvements		81,480	0	54,505	26,975
1d Equipment		93,873	0	81,449	12,424
1e Other		7,500	0	6,625	875
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)					527,630

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

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	6,957

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

Total. (Column (b) should equal Form 990, Part X, col (B) line 25) **57,507**

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

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 Other losses	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. Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
SchD_P10_S00_L00	Schedule D, Part X	Business credit card no longer in use

**Schedule I
(Form 990)**

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

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

► Attach to Form 990

2009

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 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" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed .

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. 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
ArtSchool Scholarships	29		3,632	FMV	ArtSchool class tuition
Youth Performing Arts Conservatory Scholarships	12		7,400	FMV	YPAC semester tuition
Children's & Family Services Scholarships	844		29,941	FMV	Scholarships granted through the Children's and Family Services department allow underprivileged children to attend School Shows (\$4,926, 821 recipients), attend the AfterSchool Arts Immersion program (\$22,032, 9 recipients), and attend Summer ArtsCamp (\$2,983, 14 recipients)

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

Identifier	Return Reference	Explanation
SchI_P01_S00_L02	Schedule I, 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 class or issue tickets to the awarded performance and said registration/tickets are collected by staff at the time of the class or performance.

SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2009

Open to Public
InspectionDepartment of the Treasury
Internal Revenue Service►Complete if the organization answered "Yes" on Form
990, Part IV, lines 29 or 30.
► Attach to Form 990.Name of the organization
THE ARTS CENTER

Employer identification number

51-0198497

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				
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 ► (Art Supplies) Auction	X	4	3,719	Retail/Resale Value
26 Other ► (Items) Office/Program	X	36	23,493	Retail Value
27 Other ► (Supplies) Services (Graphic Design &	X	15	3,720	Retail Value
28 Other ► (Advertising)	X	2	3,455	Regularly Invoiced Rates
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement		29		0

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a	No

b If "Yes," describe the arrangement in Part II	31	No
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31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	32a	No
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32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a	No
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b If "Yes," describe in Part II		
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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		
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Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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Additional Data

Software ID:
Software Version:
EIN: 51-0198497
Name: THE ARTS CENTER

efile GRAPHIC print - DO NOT PROCESS **As Filed Data -** **DLN: 93493137009261**

OMB No 1545-0047

2009

**Open to Public
Inspection**

**SCHEDULE O
(Form 990)****Supplemental Information to Form 990**

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

Name of the organization
THE ARTS CENTER

Employer identification number

51-0198497

Identifier	Return Reference	Explanation
F990_P03_S00_L03	Form 990, Part III, Line 3	Our Outreach department was eliminated for financial reasons

Identifier	Return Reference	Explanation
F990_P06_S0A_L08b	Form 990, Part VI, Section A, Line 8b	The executive committee alone may act on behalf of the entire board. Minutes are not currently kept for executive committee meetings

Identifier	Return Reference	Explanation
F990_P06_S0B_L11	Form 990, Part VI, Section B, Line 11	The 990 is prepared by The ArtsCenter's accounting staff and emailed to the Board of Directors for review before being filed with the IRS

Identifier	Return Reference	Explanation
F990_P06_S0B_L12c	Form 990, 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.

Identifier	Return Reference	Explanation
F990_P06_S0B_L15	Form 990, 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.

Identifier	Return Reference	Explanation
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	Governing documents, conflict of interest policy, and The ArtsCenter's 990/990-T are available to the public upon request during regular business hours (Monday through Friday, 10am - 6pm) at our home location 300-G East Main Street, Carrboro, NC 27510

Additional Data

Software ID:
Software Version:
EIN: 51-0198497
Name: THE ARTS CENTER

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code) (Expenses \$	186,730	including grants of \$) (Revenue \$	136,155)
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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 onto 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.

(Code) (Expenses \$	94,324	including grants of \$) (Revenue \$	64,609)
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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 Play Festival (an international festival of ten-minute plays featuring scripts submitted from all over the world), the PlaySlam (an evening of very short plays featuring local playwrights) and the Playwrights Roundtable (The ArtsCenter's resident playwrights laboratory). We demonstrate our commitment to young artists through our collaboration and co-productions with the Youth Performing Arts Conservatory, this year producing a holiday production featuring artists ages 10 to adult. We present and promote the work of itinerant local performing arts companies demonstrating our commitment to showcase our local artistic community. This year, we partnered and presented the works of ten local theater companies, each employing their own artists and serving different audiences. Companies represented include Transactors Improv, in residence at The ArtsCenter for over 25 years and the oldest improv group in the southeast, Hidden Voices, which gives voice to under-represented people in our community, Paperhand Puppet Intervention, featuring professional puppeteers and musicians, which serves audiences from across the Triangle and Triad areas of North Carolina. Other groups include The Monti, a story-telling performance company and One Song Productions, a student-run production company. This year ArtsCenter Stage produced or co-produced 3 productions: the annual 10 By 10 Play Festival, A Child's Christmas in Wales and Sarah Ruhl's Eurydice. ArtsCenter Stage plans to expand to four in-house productions next year. ArtsCenter Stage is a theater company which reflects the variety found in our community both in terms of audience and artists.

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Performance Production Costs/Fees	226,437	225,176	1,261	
Program Instructors	315,686	315,686	0	
Bank/Merchant Fees	29,716	0	29,716	
AfterSchool Transportation Cost	26,675	26,675	0	
Postage/Mailing	7,949	5,227	2,238	484