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Return of Organization Exempt From Income Tax

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

2010

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 2010 calendar year, or tax year beginning 07/01, 2010, and ending 06/30, 2011

Form header section containing organization name (BALLET ARIZONA), employer ID number (86-0367773), principal officer name (JON TEEUWISSEN), and tax-exempt status (501(c)(3)).

Part I Summary

Summary table with columns for line number, description, Prior Year, and Current Year. Includes rows for mission statement, revenue (Total: 8,698,161), expenses (Total: 5,883,134), and net assets (Total: 3,434,261).

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 block containing signatures of the officer (Jon H. Teeuwissen) and preparer (Amy O'Loughlin), along with dates and firm information (CBMZ MHM, LLC).

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

For Paperwork Reduction Act Notice, see the separate instructions.

SCANNED FEB 27 2012

RECEIVED FEB 13 2012

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**Part III Statement of Program Service Accomplishments**

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

**1** Briefly describe the organization's mission

BALLET ARIZONA IS AN INNOVATIVE AND PROVOCATIVE PROFESSIONAL BALLET COMPANY THAT TEACHES, CREATES, AND PERFORMS OUTSTANDING CLASSICAL AND CONTEMPORARY BALLET.

**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 \$ 4,035,145. including grants of \$ \_\_\_\_\_) (Revenue \$ 2,590,634. )

BALLET PERFORMANCES CONTRIBUTE TO DEVELOPMENT AND MAINTENANCE OF A PROFESSIONALLY RECOGNIZED RESIDENT BALLET COMPANY. THE ORGANIZATION PRESENTED SIX PRODUCTIONS IN THE STATE OF ARIZONA DURING ITS REGULAR SEASON.

**4b** (Code \_\_\_\_\_) (Expenses \$ 547,182. including grants of \$ 10,054. ) (Revenue \$ 603,819. )

THE SCHOOL OF BALLET ARIZONA IS THE ORGANIZATION'S OFFICIAL TRAINING INSTITUTE. 258 STUDENTS, AGES 3 THROUGH ADULT, PARTICIPATE IN BEGINNER THROUGH ADVANCED LEVEL PROGRAMS INCLUDING PRE-PROFESSIONAL AND RECREATIONAL OFFERINGS. THEY TAKE THEIR DAILY CLASSES ALONGSIDE THE PROFESSIONAL DANCERS AND ARTISTIC STAFF OF BALLET ARIZONA - A RESOURCE OF COMMITTED AND INSPIRED TEACHERS WHO GENERATE AN IMAGINATIVE, CREATIVE AND PRODUCTIVE RESPONSE. SCHOOL OF BALLET ARIZONA STUDENTS ARE OFTEN ABLE TO SHARE THEIR LOVE OF DANCING IN COMMUNITY EVENTS THAT CONTRIBUTE TO THE INTRODUCTION OF THE ARTS TO YOUNG PEOPLE THROUGHOUT METROPOLITAN PHOENIX.

**4c** (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_ )

**4d** Other program services (Describe in Schedule O )

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

**4e** Total program service expenses ▶ 4,582,327.

Part IV Checklist of Required Schedules

Table with 3 columns: Question, Yes, No. Rows 1-20b detailing various organizational requirements and their status.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, and Yes/No checkboxes. Rows include questions 21 through 38 regarding grants, compensation, tax-exempt bonds, and controlled entities.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with columns for question number, question text, and Yes/No checkboxes. Includes questions 1a through 14b regarding Form 1096, W-2G, Form W-3, and various tax compliance issues.

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

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

Section A. Governing Body and Management

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 1a, 1b, 2, 3, 4, 5, 6, 7a, 7b, 8, 8a, 8b, 9.

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

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed AZ,
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.
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: PAT DIEKEN 3645 E. INDIAN SCHOOL ROAD PHOENIX, AZ 85018 602-381-0184

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 1										
(1) HAROLD C. DORENBECHER BOARD CHAIR	5.00	X		X			0.	0.	0.	
(2) JULIE PRUSAK DIRECTOR	1.00	X					0.		0.	
(3) STEPHEN A. JOHNSON VICE CHAIR	4.00	X		X			0.		0.	
(4) ROBERT J. LESLIE DIRECTOR	1.00	X					0.		0.	
(5) LOIS SAVAGE DIRECTOR	1.00	X					0.		0.	
(6) MARY CAREY DIRECTOR	1.00	X					0.		0.	
(7) COLLEEN HALLBERG DIRECTOR	1.00	X					0.		0.	
(8) TERRI HASTON DIRECTOR	1.00	X					0.		0.	
(9) LINDA PERLICH DIRECTOR	1.00	X					0.		0.	
(10) MELINDA POPPE TREASURER	4.00	X		X			0.		0.	
(11) WILLIAM PAPAIZIAN DIRECTOR	1.00	X					0.		0.	
(12) KATE GROVES DIRECTOR	1.00	X					0.		0.	
(13) LAURIE MCWEENEY DIRECTOR	1.00	X					0.		0.	
(14) ELIZABETH MESSINA DIRECTOR	1.00	X					0.		0.	
(15) MARY MEYER DIRECTOR	1.00	X					0.		0.	
(16) GAYLE RAY DIRECTOR	1.00	X					0.		0.	

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) CAROL SCHILLING SECRETARY	4.00	X		X				0.	0.	
(18) SANDY BYRA DIRECTOR	1.00	X						0.	0.	
(19) MARY EHRET DIRECTOR	1.00	X						0.	0.	
(20) STEFANIE LAYTON DIRECTOR	1.00	X						0.	0.	
(21) DEAN RENNELL DIRECTOR	1.00	X						0.	0.	
(22) KEN VAN WINKLE DIRECTOR	1.00	X						0.	0.	
(23) PAT DIEKEN DIRECTOR OF FINANCE & ADMIN	40.00			X			71,804.		132.	
(24) C. JO LEONG INTERIM EXECUTIVE DIRECTOR	30.00			X			57,000.			
(25) JON TEEUWISSEN INTERIM EXECUTIVE DIRECTOR	40.00			X			25,000.			
(26) IB ANDERSEN ARTISTIC DIRECTOR	40.00				X		196,165.		5,652.	
(27)										
(28)										
<b>1b Sub-total</b>							349,969.	0.	5,784.	
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>							349,969.	0.	5,784.	

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 **1**

	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		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
ARIZONA REPUBLIC PO BOX 677595 PHX AZ	PRINT ADVERTISING	302,508.
PHOENIX SYMPHONY 1 N 1ST ST PHX AZ	ORCHESTRA	300,000.
COLLING MEDIA 14362 FRANK LLOYD SCTL AZ	ADVERTISING	156,282.

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 **3**

**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	
<b>Contributions, gifts, grants and other similar amounts</b>	1a	Federated campaigns . . . . .	1a				
	b	Membership dues . . . . .	1b				
	c	Fundraising events . . . . .	1c	244,253.			
	d	Related organizations . . . . .	1d				
	e	Government grants (contributions) . . . . .	1e	127,846.			
	f	All other contributions, gifts, grants, and similar amounts not included above . . . . .	1f	5,191,805.			
	g	Noncash contributions included in lines 1a-1f \$ . . . . .		81,354.			
	h	<b>Total. Add lines 1a-1f . . . . .</b>		<b>5,563,904.</b>			
<b>Program Service Revenue</b>	2a	ADMISSIONS	Business Code				
			711120	2,498,290.	2,498,290.		
	b	TUITION	711120	603,819.	603,819.		
	c	COSTUME RENTALS	711120	13,650.	13,650.		
	d	PROGRAM FEES	711120	35,018.	35,018.		
	e						
	f	All other program service revenue . . . . .					
	g	<b>Total. Add lines 2a-2f . . . . .</b>		<b>3,150,777.</b>			
<b>Other Revenue</b>	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		800.		800.	
	4	Income from investment of tax-exempt bond proceeds . . . . .		0.			
	5	Royalties . . . . .		0.			
	6a	Gross Rents . . . . .	(i) Real				
			(ii) Personal				
	b	Less rental expenses . . . . .					
	c	Rental income or (loss) . . . . .					
	d	Net rental income or (loss) . . . . .		0.			
	7a	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other		0.		
	b	Less cost or other basis and sales expenses . . . . .		18,833.			
	c	Gain or (loss) . . . . .		-18,833.			
	d	Net gain or (loss) . . . . .		-18,833.		-18,333.	
	8a	Gross income from fundraising events (not including \$ 244,253. of contributions reported on line 1c) See Part IV, line 18 . . . . .	a	52,770.			
b			118,749.				
c	Net income or (loss) from fundraising events . . . . .		-65,979.		-65,979.		
9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a					
		b					
c	Net income or (loss) from gaming activities . . . . .		0.				
10a	Gross sales of inventory, less returns and allowances . . . . .	a	114,771.				
		b	63,387.				
c	Net income or (loss) from sales of inventory . . . . .		51,384.	43,676.	7,708.		
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
11a	MISCELLANEOUS	900099	15,996.		15,996.		
b	ADVERTISING REVENUE	541800	112.		112.		
c							
d	All other revenue . . . . .						
e	<b>Total. Add lines 11a-11d . . . . .</b>		<b>16,108.</b>				
12	<b>Total revenue. See instructions . . . . .</b>		<b>8,698,161.</b>	<b>3,194,453.</b>	<b>7,820.</b>	<b>-67,516.</b>	

**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 US See Part IV, line 21 . . .	0.			
2 Grants and other assistance to individuals in the US See Part IV, line 22 . . . . .	10,054.	10,054.		
3 Grants and other assistance to governments, organizations, and individuals outside the US 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 . . . . .	330,753.	201,817.	128,936.	
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 . . . . .	2,247,179.	2,001,201.	101,897.	144,081.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions). . . . .	0.			
9 Other employee benefits . . . . .	259,504.	230,757.	15,515.	13,232.
10 Payroll taxes . . . . .	219,186.	187,576.	16,767.	14,843.
11 Fees for services (non-employees)				
a Management . . . . .	0.			
b Legal . . . . .	27,100.	7,500.	19,600.	
c Accounting . . . . .	0.			
d Lobbying . . . . .	0.			
e Professional fundraising services See Part IV, line 17	42,000.			42,000.
f Investment management fees . . . . .	0.			
g Other . . . . .	128,801.	31,083.	97,718.	
12 Advertising and promotion . . . . .	764,910.	764,910.		
13 Office expenses . . . . .	50,649.	5,248.	14,602.	30,799.
14 Information technology. . . . .	30,018.	11,708.	13,057.	5,253.
15 Royalties. . . . .	29,375.	29,375.		
16 Occupancy . . . . .	153,754.	67,725.	86,029.	
17 Travel . . . . .	32,999.	23,970.	9,029.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings . . . . .	3,602.		3,602.	
20 Interest . . . . .	39,897.	4,500.	35,397.	
21 Payments to affiliates . . . . .	0.			
22 Depreciation, depletion, and amortization . . . . .	199,965.		199,965.	
23 Insurance . . . . .	117,845.	11,450.	106,395.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a PRODUCTION EXPENSES -----	126,569.	126,569.		
b PRODUCTION FEES -----	627,561.	627,561.		
c COSTUMES -----	196,210.	196,210.		
d SET DESIGN AND RENTAL -----	40,672.	40,672.		
e LOSS ON UNCOLLECTIBLE PLEDGE -----	121,900.			121,900.
f All other expenses -----	82,631.	2,441.	30,815.	49,375.
25 Total functional expenses. Add lines 1 through 24f	5,883,134.	4,582,327.	879,324.	421,483.
26 Joint Costs Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) 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
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing . . . . .	170,016.	<b>1</b>	156,086.
	<b>2</b> Savings and temporary cash investments . . . . .	202,238.	<b>2</b>	1,325,875.
	<b>3</b> Pledges and grants receivable, net . . . . .	115,675.	<b>3</b>	1,765,231.
	<b>4</b> Accounts receivable, net . . . . .	19,563.	<b>4</b>	201.
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .	34,781.	<b>8</b>	47,485.
	<b>9</b> Prepaid expenses and deferred charges . . . . .	77,490.	<b>9</b>	78,421.
	<b>10a</b> Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 2,723,954.		
	<b>b</b> Less accumulated depreciation . . . . .	<b>10b</b> 1,185,434.		
		1,649,596.	<b>10c</b>	1,538,520.
	<b>11</b> Investments - publicly traded securities . . . . .		<b>11</b>	
	<b>12</b> Investments - other securities See Part IV, line 11 . . . . .		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
<b>15</b> Other assets See Part IV, line 11 . . . . .	7,561.	<b>15</b>	7,561.	
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	2,276,920.	<b>16</b>	4,919,380.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	191,911.	<b>17</b>	164,267.
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .	587,127.	<b>19</b>	535,598.
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	878,648.	<b>23</b>	785,254.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> Other liabilities. Complete Part X of Schedule D . . . . .		<b>25</b>	
	<b>26 Total liabilities.</b> Add lines 17 through 25. . . . .	1,657,686.	<b>26</b>	1,485,119.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	191,094.	<b>27</b>	419,764.
	<b>28</b> Temporarily restricted net assets . . . . .	327,741.	<b>28</b>	2,914,098.
	<b>29</b> Permanently restricted net assets . . . . .	100,399.	<b>29</b>	100,399.
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
	<b>33</b> Total net assets or fund balances . . . . .	619,234.	<b>33</b>	3,434,261.
<b>34</b> Total liabilities and net assets/fund balances . . . . .	2,276,920.	<b>34</b>	4,919,380.	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	<b>1</b>	8,698,161.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25) . . . . .	<b>2</b>	5,883,134.
<b>3</b>	Revenue less expenses Subtract line 2 from line 1 . . . . .	<b>3</b>	2,815,027.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	<b>4</b>	619,234.
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	<b>5</b>	
<b>6</b>	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) . . . . .	<b>6</b>	3,434,261.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII.

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .		X
<b>b</b>	Were the organization's financial statements audited by an independent accountant? . . . . .	X	
<b>c</b>	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . . If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	X	
<b>d</b>	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
<b>3a</b>	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? . . . . .		X
<b>b</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.		

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

OMB No 1545-0047

**2010**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

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.

Name of the organization  
**BALLET ARIZONA**

Employer identification number  
**86-0367773**

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

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2  A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II )
- 8  A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II )
- 9  An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III )

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

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

- a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other

e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (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? .....

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
<b>Total</b>									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2010

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III)

Section A. Public Support

Table with 7 columns: (a) 2006, (b) 2007, (c) 2008, (d) 2009, (e) 2010, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2006, (b) 2007, (c) 2008, (d) 2009, (e) 2010, (f) Total. Rows include: 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; 10 Other income 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; 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2010; 15 Public support percentage from 2009 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2010; 16b 33 1/3% support test - 2009; 17a 10%-facts-and-circumstances test - 2010; 17b 10%-facts-and-circumstances test - 2009; 18 Private foundation.

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	2,879,579.	2,167,845.	2,091,913.	2,193,754.	5,563,904.	14,896,995.
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	3,344,294.	3,288,583.	3,426,194.	3,467,554.	3,318,318.	16,844,943.
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5	6,223,873.	5,456,428.	5,518,107.	5,661,308.	8,882,222.	31,741,938.
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons	508,341.	395,617.	157,225.	314,693.	1,311,337.	2,687,213.
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year	0.	0.	0.			0.
<b>c</b> Add lines 7a and 7b.	508,341.	395,617.	157,225.	314,693.	1,311,337.	2,687,213.
<b>8 Public support</b> (Subtract line 7c from line 6)						29,054,725.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>9</b> Amounts from line 6.	6,223,873.	5,456,428.	5,518,107.	5,661,308.	8,882,222.	31,741,938.
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	6,766.	2,120.	2,710.	1,104.	800.	13,500.
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b	6,766.	2,120.	2,710.	1,104.	800.	13,500.
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on				3,455.	1,877.	5,332.
<b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) <u>ATCH 1</u>	40,696.	7,094.	6,581.	18,431.	15,996.	88,798.
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12)	6,271,335.	5,465,642.	5,527,398.	5,684,298.	8,900,895.	31,849,568.
<b>14</b> 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**

<b>15</b> Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	91.22%
<b>16</b> Public support percentage from 2009 Schedule A, Part III, line 15	<b>16</b>	92.40%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	.04%
<b>18</b> Investment income percentage from 2009 Schedule A, Part III, line 17	<b>18</b>	.07%

**19a 33 1/3% support tests - 2010.** 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 - 2009.** 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.** Complete this part to provide the explanations required by Part II, line 10, Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

ATTACHMENT 1

SCHEDULE A, PART III - OTHER INCOME

DESCRIPTION	2006	2007	2008	2009	2010	TOTAL
OTHER REVENUE	40,696.	7,094.	6,581.	18,431.	15,996.	88,798.
<b>TOTAL</b>	<u>40,696.</u>	<u>7,094.</u>	<u>6,581.</u>	<u>18,431.</u>	<u>15,996.</u>	<u>88,798.</u>

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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.

Name of the organization

BALLET ARIZONA

Employer identification number

86-0367773

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors...?, 6 Did the organization inform all grantees...

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

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization, 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated, 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?, 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)?, 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.

Table with 2 columns: Revenues included in Form 990, Part VIII, line 1; Assets included in Form 990, Part X. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items. 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items.

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

Schedule D (Form 990) 2010

JSA OE1268 1 000

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

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . .  Yes  No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . .  Yes  No
- b If "Yes," explain the arrangement in Part XIV and complete the following table:
- |   | Amount    |
|---|-----------|
| c Beginning balance . . . . .             | <b>1c</b> |
| d Additions during the year . . . . .     | <b>1d</b> |
| e Distributions during the year . . . . . | <b>1e</b> |
| f Ending balance . . . . .                | <b>1f</b> |
- 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) Pnor year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance . . . . .	100,399.	100,399.	100,399.		
b Contributions . . . . .					
c Net investment earnings, gains, and losses . . . . .					
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .					
f Administrative expenses . . . . .					
g End of year balance . . . . .	100,399.	100,399.	100,399.		

- 2 Provide the estimated percentage of the year end balance held as:
- a Board designated or quasi-endowment ▶ \_\_\_\_\_ %
  - b Permanent endowment ▶ 100.0000 %
  - 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 |
|---|---------------|----|
| (i) unrelated organizations . . . . .   | <b>3a(i)</b>  | X  |
| (ii) related organizations . . . . .  | <b>3a(ii)</b> | X  |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . . | <b>3b</b>     |    |
- 4 Describe in Part XIV the intended uses of the organization's endowment funds

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .				
b Buildings . . . . .				
c Leasehold improvements . . . . .				
d Equipment . . . . .		2,723,954.	1,185,434.	1,538,520.
e Other . . . . .				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c) . . . . .				1,538,520.

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

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

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

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

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

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

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

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

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	8,698,161.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	5,883,134.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	2,815,027.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net) Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	2,815,027.

**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	8,877,621.
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	179,460.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	179,460.
3	Subtract line 2e from line 1	3	8,698,161.
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 must equal Form 990, Part I, line 12)	5	8,698,161.

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

1	Total expenses and losses per audited financial statements	1	6,062,594.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	179,460.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	179,460.
3	Subtract line 2e from line 1	3	5,883,134.
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 must equal Form 990, Part I, line 18.)	5	5,883,134.

**Part XIV Supplemental Information**

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

ENDOWMENT FUNDS

FORM 990, SCHEDULE D, PART V, LINE 4

THE BALLET'S ENDOWMENT CONSISTS OF TWO INDIVIDUAL FUNDS ESTABLISHED TO

FUND SCHOLARSHIPS TO THE BALLET SCHOOL.

**Part XIV** Supplemental Information *(continued)*

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

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total events (add col (a) through col (c))
		GALA (event type)	NUTCRACKER (event type)	0. (total number)	
Revenue	1	Gross receipts	251,573.	45,450.	297,023.
	2	Less. Charitable contributions	219,053.	25,200.	244,253.
	3	Gross income (line 1 minus line 2)	32,520.	20,250.	52,770.
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs	2,125.		2,125.
	7	Food and beverages	39,816.	25,129.	64,945.
	8	Entertainment	7,300.		7,300.
	9	Other direct expenses	42,395.	1,984.	44,379.
	10	Direct expense summary. Add lines 4 through 9 in column (d)			
11	Net income summary. Combine line 3, column (d), and line 10				-65,979.

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

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

9 Enter the state(s) in which the organization operates gaming activities. \_\_\_\_\_  
 a Is the organization licensed to operate gaming activities in each of these states?  Yes  No

b If "No," explain \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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

b If "Yes," explain \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

- 11 Does the organization operate gaming activities with nonmembers?  Yes  No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No
- 13 Indicate the percentage of gaming activity operated in
 

a The organization's facility	<b>13a</b>	%
b An outside facility	<b>13b</b>	%
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ -----

Address ▶ -----

- 15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_
- c If "Yes," enter name and address of the third party

Name ▶ -----

Address ▶ -----

16 Gaming manager information.

Name ▶ -----

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ -----

- Director/officer
- Employee
- Independent contractor

17 Mandatory distributions.

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

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

**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
BALLET ARIZONA

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

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

OMB No. 1545-0047

**2010**

**Open to Public  
Inspection**

Employer identification number  
86-0367773

**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  Yes  No

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

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)	-----							
(2)	-----							
(3)	-----							
(4)	-----							
(5)	-----							
(6)	-----							
(7)	-----							
(8)	-----							
(9)	-----							
(10)	-----							
(11)	-----							
(12)	-----							

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

3 Enter total number of other organizations

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

Schedule I (Form 990) (2010)

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

1	(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
1	TUITION SCHOLARSHIPS	9.		10,054.	FMV	TUITION REDUCTION
2						
3						
4						
5						
6						
7						

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

GRANT FUNDS

FORM 990, SCHEDULE I, PART I, LINE 2

THE SCHOOL OF BALLET ARIZONA PROVIDES TUITION SCHOLARSHIPS TO ITS

STUDENTS BASED ON PROMISING ARTISTRY, STUDIOUSNESS, AND FINANCIAL NEED.

SCHOLARSHIPS ARE MONITORED BY THE DIRECTOR OF THE SCHOOL THROUGHOUT THE

YEAR.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

- ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23
- ▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2010**

**Open to Public Inspection**

Name of the organization

BALLET ARIZONA

Employer identification number

86-0367773

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain . . . . .

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? . . . . .

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- |  |   |
|--|---|
| <input type="checkbox"/> Compensation committee              | <input checked="" type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment from the organization or a related organization? . . . . .
  - b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? . . . . .
  - c** Participate in, or receive payment from, an equity-based compensation arrangement? . . . . .
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? . . . . .
  - b** Any related organization? . . . . .
- If "Yes" to line 5a or 5b, describe in Part III

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

- a** The organization? . . . . .
  - b** Any related organization? . . . . .
- If "Yes" to line 6a or 6b, describe in Part III

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III . . . . .

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III . . . . .

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? . . . . .

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		X
<b>4b</b>		X
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X
<b>9</b>		

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

Schedule J (Form 990) 2010

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

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

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

	(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	IB ANDERSEN	(i) 184,065. (ii) ----- (iii) 12,100.	-----	12,100.	-----	5,652.	201,817.	-----
2		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
3		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
4		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
5		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
6		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
7		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
8		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
9		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
10		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
11		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
12		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
13		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
14		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
15		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----
16		(i) ----- (ii) ----- (iii) -----	-----	-----	-----	-----	-----	-----

**Part III Supplemental Information**

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

**SCHEDULE L**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Transactions With Interested Persons**

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

OMB No 1545-0047

**2010**

**Open To Public Inspection**

Name of the organization

BALLET ARIZONA

Employer identification number

86-0367773

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

- 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.**

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
	(1)									
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
<b>Total</b> . . . . . ▶ \$										

**Part III Grants or Assistance Benefiting Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2010

**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) RANDY SCHILLING	FAMILY MBR OF C.SCHILLING	42,000.	FUNDRAISING SERVICES		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information**

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

**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Noncash Contributions**

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

OMB No. 1545-0047

**2010**

**Open To Public  
Inspection**

Name of the organization  
**BALLET ARIZONA**

Employer identification number  
**86-0367773**

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art . . . . .				
2 Art - Historical treasures . . . . .				
3 Art - Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities - Publicly traded . . . . .	X	6.	177,385.	SELLING PRICE
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 ▶ (EQUIPMENT) . . . . .	X	1.	2,800.	COMPARABLE SALES
26 Other ▶ (REFRESHMENTS) . . . . .	X	1.	892.	SELLING PRICE
27 Other ▶ ( ) . . . . .				
28 Other ▶ ( ) . . . . .				

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

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, line 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? . . . . .		X
b If "Yes," describe the arrangement in Part II		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? . . . . .		X
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .		X
b If "Yes," describe in Part II		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II		

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

Schedule M (Form 990) (2010)

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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.

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**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Name of the organization

BALLET ARIZONA

**Supplemental Information to Form 990 or 990-EZ**

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

OMB No 1545-0047

**2010**

**Open to Public  
Inspection**

Employer identification number

86-0367773

MEMBERS OF THE ORGANIZATION

FORM 990, PART VI, SECTION A, LINE 6

THE MEMBERS OF THE CORPORATION SHALL BE ANY DIRECTOR, ANY EMPLOYEE OF THE CORPORATION AND ANY CONTRIBUTOR TO THE CORPORATION AND SHALL BE DEEMED TO BE MEMBERS AS OF THE DATE SUCH PERSONS WERE ELECTED AS DIRECTOR, OR COMMENCED EMPLOYMENT AS AN EMPLOYEE OF THE CORPORATION, OR MADE A CONTRIBUTION TO THE CORPORATION.

REVIEW OF FORM 990

FORM 990, PART VI, SECTION B, LINE 11A

THE FORM 990 WAS PREPARED BY AN OUTSIDE ACCOUNTING FIRM AND REVIEWED BY THE FINANCE COMMITTEE OF THE BOARD OF DIRECTORS BEFORE IT WAS FINALIZED AND FILED WITH THE IRS.

CONFLICT OF INTEREST POLICY

FORM 990, PART VI, SECTION B, LINE 12C

A CONFLICT OF INTEREST FORM MUST BE COMPLETED AND SIGNED ANNUALLY BY EACH MEMBER OF THE BOARD OF DIRECTORS. IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICTS OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE AND NATURE OF HIS OR HER FINANCIAL INTEREST TO THE DIRECTORS AND MEMBERS OF COMMITTEES WITH BOARD-DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT.

AFTER DISCLOSURE OR THE FINANCIAL INTEREST, THE INTERESTED PERSON SHALL

Name of the organization

BALLET ARIZONA

Employer identification number

86-0367773

LEAVE THE BOARD OR COMMITTEE MEETING WHILE THE FINANCIAL INTEREST IS DISCUSSED AND VOTED UPON.

THE CHAIRPERSON OF THE BOARD OR COMMITTEE SHALL, IF APPROPRIATE, APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION. AFTER EXERCISING DUE DILIGENCE, THE BOARD SHALL DETERMINE WHETHER BAZ CAN OBTAIN A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT WITH REASONABLE EFFORTS FROM A PERSON OR ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST. IF NOT, THE BOARD SHALL DETERMINE BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS WHETHER THE TRANSACTION OR ARRANGEMENT IS IN BAZ'S BEST INTEREST AND WHETHER THE TRANSACTION IS FAIR AND REASONABLE.

#### COMPENSATION OF OFFICERS & KEY EMPLOYEES

FORM 990, PART VI, SECTION B, LINE 15A & 15B

DURING THE FISCAL YEAR, THE ORGANIZATION HAD TWO INTERIM EXECUTIVE DIRECTORS. THE COMPENSATION OF EACH WAS BASED UPON THE INDIVIDUAL'S BACKGROUND, SKILLS AND EXPERIENCE AND COMPARABILITY DATA, OBTAINED IN PART FROM AN EXECUTIVE RECRUITER. THE COMPENSATION OF THE ARTISTIC DIRECTOR WAS DETERMINED THE PRIOR YEAR AND IS SET IN A THREE YEAR CONTRACT. THE COMPENSATION OF THE CFO IS DETERMINED BY THE EXECUTIVE DIRECTOR BASED UPON OTHER DEPARTMENT HEADS WITHIN THE ORGANIZATION AND SIMILAR OFFICERS IN THE LOCAL ARTS AND CULTURE COMMUNITY.

#### DISCLOSURE

FORM 990, PART VI, SECTION C, LINE 19

THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND

Name of the organization

BALLET ARIZONA

Employer identification number

86-0367773

FINANCIAL STATEMENTS ARE ALL AVAILABLE UPON REQUEST.

ATTACHMENT 1

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
JON TEEUWISSEN INTERIM EXECUTIVE DIRECTOR	40.00