Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning OCT 1, 2011 and ending SEP 30, 2012

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

C Name of organization: THE ARTS COUNCIL, INC.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): 206 N SPRUCE STREET — Room/suite: 3

City or town, state or country, and ZIP + 4: WINSTON-SALEM, NC 27101

D Employer identification number: 56-0526856

E Telephone number: 336-722-2585

G Gross receipts $ 4,306,628.

F Name and address of principal officer: MR. MILTON RHODES
SAME AS C ABOVE

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) Are all affiliates included? [ ] Yes [ ] No
If "No," attach a list. (see instructions)

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

J Website: ▶ WWW.INTOTHEARTS.ORG

H(c) Group exemption number ▶

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1949 **M** State of legal domicile: NC

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: SUPPORT, PROMOTE AND NURTURE ARTISTS AND ARTISTIC ORGANIZATIONS THROUGH FUND RAISING.

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	37
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	37
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	14
6	Total number of volunteers (estimate if necessary)	6	380
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	3,575,548.	3,667,006.
	9	Program service revenue (Part VIII, line 2g)	0.	0.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	8,509.	26,722.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	58,323.	113,202.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,642,380.	3,806,930.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	2,778,683.	2,350,785.
	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)	884,757.	717,128.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	31,148.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 767,175.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	543,707.	582,736.
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	4,207,147.	3,681,797.
	19	Revenue less expenses Subtract line 18 from line 12	<564,767.>	125,133.
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	16,879,959.	16,535,747.
	21	Total liabilities (Part X, line 26)	7,974,790.	7,664,806.
	22	Net assets or fund balances Subtract line 21 from line 20	8,905,169.	8,870,941.

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AUG 1 ? 2013
OGDEN, UT
IRS-OSC

Part II Signature Block

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

Sign Here

▶ [signature] — Signature of officer — Date: Aug 13, 2013

▶ MR. MILTON RHODES, PRESIDENT & CEO — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
JANE R POTTER	Jane R Potter	8/13/13	[ ]	P01057495

Firm's name ▶ BUTLER & BURKE, L.L.P. — Firm's EIN ▶ 56-1138530

Firm's address ▶ 100 CLUB OAKS COURT, SUITE A
WINSTON-SALEM, NC 27104 — Phone no. (336)768-2310

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

SCANNED SEP 10 2013

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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 [X]

1 Briefly describe the organization's mission:

THE ORGANIZATIONAL MISSION IS TO PROVIDE VENUES OF OPPORTUNITY FOR ARTISTS AND ART ORGANIZATIONS TO PRACTICE AND EXECUTE THEIR ART FORM IN FACILITIES THAT ARE EFFICIENTLY AND EFFECTIVELY OPERATED, PROPERLY EQUIPPED, AND TO CREATE AN ENVIRONMENT IN WHICH THE ARTS FLOURISH AND

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

If "Yes," describe these changes on Schedule O.

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

4a (Code ________) (Expenses $ 2,350,785. including grants of $ 2,350,785.) (Revenue $ 0.)

FACILITIES FOR THE ARTS WILL OWN AND MANAGE VARIOUS ARTS COMPLEXES, KNOWN AS THE MILTON RHODES CENTER FOR THE ARTS, THE HANESBRANDS THEATRE, THE ARTS COUNCIL THEATRE, AND PARKING LOTS. THESE FACILITIES ARE LOCATED AT TWO SEPARATE LOCATIONS, ONE ON APPROXIMATELY SEVEN ACRES IN THE CENTER OF DOWNTOWN WINSTON-SALEM AND ONE LOCATED ON APPROXIMATELY 1.6 ACRES IN THE OUTSKIRTS OF TOWN. (THE "PROPERTIES"). THE PROPERTIES INCLUDES COMMUNITY EVENT SPACES, OFFICES FOR NONPROFIT CHARITABLE ORGANIZATIONS, ACTIVITY ROOMS FOR CHILDREN AND ADULT PROGRAMMING AND RELATED SPACES.

4b (Code ________) (Expenses $ ________ including grants of $ ________) (Revenue $ ________)

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 ▶ 2,350,785.

Part IV Checklist of Required Schedules

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

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Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	X	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30	X	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	58			
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	14			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		X
b	If "Yes," enter the name of the foreign country ▶					
	See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter.					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter.					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state?			13a		
	Note. See the instructions for additional information the organization must report on Schedule O.					
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 37			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b 37			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		X
6	Did the organization have members or stockholders?		6		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶NC

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

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

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

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

VICTORIA HORNER - 336-722-2585

206 N SPRUCE STREET, SUITE 3, WINSTON-SALEM, NC 27101

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) TOM INGRAM CHAIR	1.00	X		X				0.	0.	0.
(2) STEVE BERLIN VICE CHAIR- ADMINISTRATION	1.00	X		X				0.	0.	0.
(3) JIM MARTIN VICE CHAIR- BOARD DEVELOPM	1.00	X		X				0.	0.	0.
(4) CHERYL LINDSAY VICE CHAIR-AGENCY RELATION	1.00	X		X				0.	0.	0.
(5) BRENDA ALLEN VICE CHAIR-COMM. RELATIONS	1.00	X		X				0.	0.	0.
(6) WILLIAM G. BENTON VICE CHAIR- FACILITIES	1.00	X		X				0.	0.	0.
(7) HUNTER DOUGLAS SECRETARY	1.00	X		X				0.	0.	0.
(8) ANDREW GILCHRIST TREASURER & FINANCE CHAIR	1.00	X		X				0.	0.	0.
(9) WANDA MERSCHEL AT LARGE EXECUTIVE MEMBER	1.00	X		X				0.	0.	0.
(10) MARYBETH WALLACE PERSONNEL CHAIR & AT LRG EXEC MEMBER	1.00	X		X				0.	0.	0.
(11) MERRITT VALE MEMBER GROUP REPRESENTATIV	1.00	X		X				0.	0.	0.
(12) RANDY EADDY CHAIR- FUNDRAISING POLICY	1.00	X						0.	0.	0.
(13) LEON PORTER CHAIR- MEMBERSHIP COMMITTE	1.00	X						0.	0.	0.
(14) JIMMY BROUGHTON CHAIR- ADVOCACY COMMITTEE	1.00	X						0.	0.	0.
(15) DENISE ADAMS BOARD MEMBER	1.00	X						0.	0.	0.
(16) CHAD CHEEK BOARD MEMBER	1.00	X						0.	0.	0.
(17) TONYA DEEM IMMEDIATE PAST CHAIR	1.00	X		X				0.	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: Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(18) ROBERT BESEDA BOARD MEMBER	1.00	X						0.	0.	0.
(19) WALTON CARPENTER CHAIR- STRATEGIC PLANNING	1.00	X						0.	0.	0.
(20) CATHERINE DELEN BOARD MEMBER	1.00	X						0.	0.	0.
(21) LAWREN DESAI BOARD MEMBER	1.00	X						0.	0.	0.
(22) PAUL HAMMES BOARD MEMBER	1.00	X						0.	0.	0.
(23) MIKE ERNST BOARD MEMBER	1.00	X						0.	0.	0.
(24) ANNA GALLIMORE BOARD MEMBER	1.00	X						0.	0.	0.
(25) ALLEN SHAW BOARD MEMBER	1.00	X						0.	0.	0.
(26) HOWARD UPCHURCH BOARD MEMBER	1.00	X						0.	0.	0.
1b Sub-total ▶								0.	0.	0.
c Total from continuation sheets to Part VII, Section A ▶								179,210.	0.	11,629.
d Total (add lines 1b and 1c) ▶								179,210.	0.	11,629.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 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*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

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

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

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

SEE PART VII, SECTION A CONTINUATION SHEETS

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						
1 a Federated campaigns	1a					
b Membership dues	1b					
c Fundraising events	1c					
d Related organizations	1d					
e Government grants (contributions)	1e					
f All other contributions, gifts, grants, and similar amounts not included above	1f	3667006.				
g Noncash contributions included in lines 1a-1f $ 175,601.						
h **Total.** Add lines 1a-1f ▶			3667006.			
Program Service Revenue		Business Code				
2 a						
b						
c						
d						
e						
f All other program service revenue						
g **Total.** Add lines 2a-2f ▶						
Other Revenue						
3 Investment income (including dividends, interest, and other similar amounts) ▶			26,722.			26,722.
4 Income from investment of tax-exempt bond proceeds ▶						
5 Royalties ▶						
	(i) Real	(ii) Personal				
6 a Gross rents						
b Less: rental expenses						
c Rental income or (loss)						
d Net rental income or (loss) ▶						
	(i) Securities	(ii) Other				
7 a Gross amount from sales of assets other than inventory						
b Less: cost or other basis and sales expenses						
c Gain or (loss)						
d Net gain or (loss) ▶						
8 a Gross income from fundraising events (not including $ ______ of contributions reported on line 1c) See Part IV, line 18	a					
b Less. direct expenses	b					
c Net income or (loss) from fundraising events ▶						
9 a Gross income from gaming activities See Part IV, line 19	a					
b Less. direct expenses	b					
c Net income or (loss) from gaming activities ▶						
10 a Gross sales of inventory, less returns and allowances	a	611804.				
b Less cost of goods sold	b	499698.				
c Net income or (loss) from sales of inventory ▶			112,106.	112,106.		
Miscellaneous Revenue		Business Code				
11 a MISCELLANEOUS INCOME		900099	1,096.			1,096.
b						
c						
d All other revenue						
e **Total.** Add lines 11a-11d ▶			1,096.			
12 **Total revenue.** See instructions. ▶			3806930.	112,106.	0.	27,818.

Part IX Statement of Functional Expenses

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

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

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	2,278,885.	2,278,885.		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22	71,900.	71,900.		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	160,334.		22,623.	137,711.
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	399,807.		176,924.	222,883.
8	Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	93,262.		42,885.	50,377.
10	Payroll taxes	63,725.		39,678.	24,047.
11	Fees for services (non-employees)				
a	Management				
b	Legal	21,946.		21,946.	
c	Accounting				
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17	31,148.			31,148.
f	Investment management fees				
g	Other	25,200.			25,200.
12	Advertising and promotion	186,980.			186,980.
13	Office expenses	55,433.		23,655.	31,778.
14	Information technology	33,207.		31,227.	1,980.
15	Royalties				
16	Occupancy	49,846.		49,846.	
17	Travel	671.		215.	456.
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	7,692.		6,080.	1,612.
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	58,607.		58,607.	
23	Insurance	13,309.		13,309.	
24	Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	BAD DEBT EXPENSE	54,424.		54,424.	
b	SPECIAL EVENTS	36,244.			36,244.
c	BANKING FEES	22,795.		7,030.	15,765.
d	MISCELLANEOUS	14,347.		13,693.	654.
e	All other expenses	2,035.		1,695.	340.
25	**Total functional expenses.** Add lines 1 through 24e	3,681,797.	2,350,785.	563,837.	767,175.
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	965,050.	1	285,072.
	2	Savings and temporary cash investments	1,728,528.	2	1,378,642.
	3	Pledges and grants receivable, net	4,941,655.	3	5,089,531.
	4	Accounts receivable, net	194,031.	4	156,727.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	427,413.	8	347,010.
	9	Prepaid expenses and deferred charges	236,899.	9	252,326.
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D — 10a: 629,610.			
	b	Less accumulated depreciation — 10b: 270,674.	350,415.	10c	358,936.
	11	Investments - publicly traded securities	131,291.	11	130,186.
	12	Investments - other securities See Part IV, line 11	144,340.	12	
	13	Investments - program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	7,760,337.	15	8,537,317.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	16,879,959.	16	16,535,747.
Liabilities	17	Accounts payable and accrued expenses	299,210.	17	267,649.
	18	Grants payable	5,900.	18	2,144.
	19	Deferred revenue	9,616.	19	0.
	20	Tax-exempt bond liabilities	7,497,232.	20	7,212,232.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	162,832.	25	182,781.
	26	**Total liabilities.** Add lines 17 through 25	7,974,790.	26	7,664,806.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	944,284.	27	2,337,750.
	28	Temporarily restricted net assets	7,960,885.	28	6,533,191.
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	8,905,169.	33	8,870,941.
	34	Total liabilities and net assets/fund balances	16,879,959.	34	16,535,747.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,806,930.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,681,797.
3	Revenue less expenses Subtract line 2 from line 1	3	125,133.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	8,905,169.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	<159,361.>
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	8,870,941.

Part XII Financial Statements and Reporting

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

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

132012
01-23-12

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization: THE ARTS COUNCIL, INC.
Employer identification number: 56-0526856

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

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

1 [ ] A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
3 [ ] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
4 [ ] A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: ____
5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
6 [ ] A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
7 [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
8 [ ] A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
9 [ ] An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
10 [ ] An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

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

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

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

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

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

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

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

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III If the organization fails to qualify under the tests listed below, please complete Part III)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	13,376,757.	3,312,153.	6,291,789.	3,575,548.	3,667,006.	30,223,253.
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	13,376,757.	3,312,153.	6,291,789.	3,575,548.	3,667,006.	30,223,253.
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)						422,942.
6 **Public support.** Subtract line 5 from line 4						29,800,311.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	13,376,757.	3,312,153.	6,291,789.	3,575,548.	3,667,006.	30,223,253.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	460,477.	226,069.	960,803.	8,509.	26,722.	1,682,580.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV.)					1,096.	1,096.
11 **Total support.** Add lines 7 through 10						31,906,929.

12 Gross receipts from related activities, etc (see instructions) | 12 | 611,804.

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) | 14 | 93.40 %

15 Public support percentage from 2010 Schedule A, Part II, line 14 | 15 | 91.67 %

16a **33 1/3% support test - 2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ [X]

b **33 1/3% support test - 2010.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2011.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization: THE ARTS COUNCIL, INC.

Employer identification number: 56-0526856

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
- ☐ Preservation of land for public use (e g , recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Board designated or quasi-endowment ▶ ______%
b Permanent endowment ▶ ______%
c Temporarily restricted endowment ▶ ______%

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements	47,129.		1,465.	45,664.
d Equipment	358,140.		164,403.	193,737.
e Other	224,341.		104,806.	119,535.
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				358,936.

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

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

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

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

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

(a) Description	(b) Book value
(1) LIFE INSURANCE	332,288.
(2) DUE FROM FACILITIES FOR THE ARTS ON SPRUCE	8,205,029.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	8,537,317.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) INTEREST RATE SWAP LIABILITY	95,031.
(3) DEFERRED COMPENSATION LIABILITY	87,750.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	182,781.

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	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 through 8	9	
10	Excess or (deficit) for the year per audited 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 must 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 must 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, line 2, Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b Also complete this part to provide any additional information.

PART X, LINE 2: THE COUNCIL'S PRIMARY TAX POSITIONS RELATE TO ITS STATUS AS NOT-FOR-PROFIT ENTITIY EXEMPT FROM INCOME TAXES AND CLASSIFICATION OF ACTIVITIES RELATED TO ITS EXEMPT PURPOSE. IT IS THE OPINION OF MANAGEMENT THAT THERE ARE NO UNCERTAIN TAX POSITIONS THAT WOULD BE SUBJECT TO CHANGE UPON EXAMINATION.

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

OMB No 1545-0047

2011

Open To Public Inspection

Name of the organization: THE ARTS COUNCIL, INC.

Employer identification number 56-0526856

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

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

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

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

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

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
WHITNEY JONES & ASSOCIATES - 119 BROOKSTOWN AVENUE,	ASSISTANCE		X	3,667,006.	12,000.	3,655,006.
Total ▶				3,667,006.	12,000.	3,655,006.

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

NC

LHA **Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.** **Schedule G (Form 990 or 990-EZ) 2011**

SEE PART IV FOR CONTINUATIONS

132081 01-23-12

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 (event type)	(b) Event #2 (event type)	(c) Other events (total number)	(d) Total events (add col. (a) through col (c))
Revenue	1 Gross receipts				
	2 Less Charitable contributions				
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				( )
	11 Net income summary Combine line 3, column (d), and line 10 ▶				

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

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

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

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

b If "No," explain ____

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

b If "Yes," explain: ____

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

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

13 Indicate the percentage of gaming activity operated in:

a The organization's facility 13a %

b An outside facility 13b %

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

Name ▶

Address ▶

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

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

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

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ $

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

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

SCHEDULE G, PART I, LINE 2B, LIST OF TEN HIGHEST PAID FUNDRAISERS:

(I) NAME OF FUNDRAISER: WHITNEY JONES & ASSOCIATES

(I) ADDRESS OF FUNDRAISER: 119 BROOKSTOWN AVENUE, WINSTON-SALEM, NC 27101

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization
THE ARTS COUNCIL, INC.

Employer identification number
56-0526856

Part I **General Information on Grants and Assistance**

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

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

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NORTH CAROLINA SHAKESPEARE FESTIVAL - P.O. BOX 6066 - HIGH POINT, NC 27262	59-1725095	501(C)(3)	10,000.	0.			$6,000 ARTS IN EDUCATION GRANT & $4,000 ADVERTISING ASSISTANCE
UNIVERSITY OF NORTH CAROLINA SCHOOL OF THE ARTS FOUNDATION - 1533 SOUTH MAIN STREET - WINSTON-SALEM, NC 27127	56-6064850	501(C)(3)	14,924.	0.			$8,500 ARTS IN EDUCATION GRANT & $6,424 POWER2GIVE GRANT
PIEDMONT CRAFTSMAN 601 NORTH TRADE STREET WINSTON-SALEM, NC 27101	56-0818342	501(C)(3)	112,887.	0.			$85,000 ORGANIZATIONAL SUPPORT GRANT, $10,000 ARTS IN EDUCATION GRANT, $10,000 INNOVATIVE
WINSTON-SALEM SYMPHONY 201 N. BROAD STREET, SUITE 200 WINSTON-SALEM, NC 27101	56-0692826	501(C)(3)	260,000.	0.			$250,000 ORGANIZATIONAL SUPPORT GRANT & $10,000 ARTS IN EDUCATION GRANT
ASSOCIATED ARTISTS OF WINSTON-SALEM - 301 WEST FOURTH STREET - WINSTON-SALEM, NC 27101	58-1498864	501(C)(3)	65,444.	0.			$51,000 ORGANIZATIONAL SUPPORT GRANT, $3,000 ARTS IN EDUCATION GRANT, $7,500 INNOVATIVE PROJECT
CHILDREN'S THEATRE BOARD, INC. 610 COLISEUM DRIVE WINSTON-SALEM, NC 27106	56-0939026	501(C)(3)	66,700.	0.			$64,000 ORGANIZATIONAL SUPPORT GRANT & $2,700 IN ADVERTISING ASSISTANCE

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 35.

3 Enter total number of other organizations listed in the line 1 table ▶ 2.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.**
SEE PART IV FOR COLUMN (H) DESCRIPTIONS

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(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
HISPANIC ARTS INITIATIVE 305 WEST FOURTH STREET, SUITE 1-C WINSTON-SALEM, NC 27101	20-4918395	501(C)(3)	43,200.	0.			$40,000 ORGANIZATIONAL SUPPORT GRANT & $3,200 ARTS IN EDUCATION GRANT
KERNERSVILLE LITTLE THEATRE P.O. BOX 822 KERNERSVILLE, NC 27285	59-1771526	501(C)(3)	9,500.	0.			$9,500 ORGANIZATIONAL SUPPORT GRANT
NORTH CAROLINA BLACK REPERTORY COMPANY - 610 COLISEUM DRIVE - WINSTON-SALEM, NC 27106	58-1518704	501(C)(3)	215,841.	0.			$200,000 ORGANIZATIONAL SUPPORT GRANT & 15,841 IN ADVERTISING ASSISTANCE
OLD SALEM P.O. DRAWER F, SALEM STATION WINSTON-SALEM, NC 27108	56-0587289	501(C)(3)	138,787.	0.			$70,000 ORGANIZATIONAL SUPPORT GRANT & $68,787 ADVERTISING ASSISTANCE
PIEDMONT CHAMBER SINGERS P.O. BOX 20573 WINSTON-SALEM, NC 27120	58-1348531	501(C)(3)	8,500.	0.			$8,500 ORGANIZATIONAL SUPPORT GRANT
PIEDMONT OPERA 235 N. CHERRY STREET, SUITE 100 WINSTON-SALEM, NC 27101	59-1743689	501(C)(3)	131,543.	0.			$105,000 ORGANIZATIONAL SUPPORT GRANT, $2,500 INNOVATIVE PROJECT GRANT, & $24,043 ADVERTISING
PIEDMONT WIND SYMPHONY 526 S. STRATFORD ROAD WINSTON-SALEM, NC 27103	56-1627179	501(C)(3)	20,000.	0.			$20,000 ORGANIZATIONAL SUPPORT GRANT
REYNOLDA HOUSE MUSEUM OF AMERICAN ART - P.O. BOX 7287 - WINSTON-SALEM, NC 27109	56-0810676	501(C)(3)	125,821.	0.			$80,000 ORGANIZATIONAL SUPPORT GRANT, $10,000 INNOVATIVE PROJECT GRANT & $35,821 ADVERTISING
RIVERRUN INTERNATIONAL FILM FESTIVAL - 305 WEST FOURTH STREET, SUITE 1-A - WINSTON-SALEM, NC 27101	20-0254183	501(C)(3)	102,000.	0.			$100,000 ORGANIZATIONAL SUPPORT GRANT & $2,000 ARTS IN EDUCATION GRANT

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II)

(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
SAWTOOTH SCHOOL OF VISUAL ART 305 WEST FOURTH STREET, SUITE 1-C WINSTON-SALEM, NC 27101	56-0596516	501(C)(3)	153,876.	0.			$130,000 ORGANIZATIONAL SUPPORT GRANT, $9,826 ADVERTISING ASSISTANCE, & $14,050 GOLDEN LEAF GRANT
SOUTHEASTERN CENTER FOR CONTEMPORARY ART - 750 MARGUERITE DRIVE - WINSTON-SALEM, NC 27106	56-0656890	501(C)(3)	213,629.	0.			$190,000 ORGANIZATIONAL SUPPORT GRANT, $9,000 ARTS IN EDUCATION GRANT, $10,000 INNOVATIVE
THE LITTLE THEATRE OF WINSTON-SALEM/TWIN CITY STAGE - 610 COLISEUM DRIVE - WINSTON-SALEM, NC 27106	56-0526835	501(C)(3)	214,890.	0.			$195,000 ORGANIZATIONAL SUPPORT GRANT & $19,890 ADVERTISING ASSISTANCE
WINSTON-SALEM FESTIVAL BALLET 305 WEST FOURTH STREET, SUITE 1-C WINSTON-SALEM, NC 27101	56-1631225	501(C)(3)	51,600.	0.			$50,000 ORGANIZATIONAL SUPPORT GRANT & 1,600 ADVERTISING ASSISTANCE
WINSTON-SALEM CHILDREN'S CHORUS P.O. BOX 15342 WINSTON-SALEM, NC 27113	56-2059778	501(C)(3)	28,326.	0.			$15,000 ORGANIZATIONAL SUPPORT GRANT, $5,000 INNOVATIVE PROJECT GRANT & $8,326 ADVERTISING
WINSTON-SALEM DELTA FINE ARTS 2611 NEW WALKERTOWN ROAD WINSTON-SALEM, NC 27101	23-7282952	501(C)(3)	40,000.	0.			$40,000 ORGANIZATIONAL SUPPORT GRANT
FORSYTH COUNTY LIBRARY 660 WEST FIFTH STREET WINSTON-SALEM, NC 27101	56-6000450	SECTION 170, C1	9,022.	0.			$9,022 ADVERTISING ASSISTANCE
CAROLINA BALLET 3401-131 ATLANTIC AVENUE RALEIGH, NC 27604	56-1445383	501(C)(3)	5,000.	0.			$5,000 ARTS IN EDUCATION GRANT
TAM TAM MANDINGUE USA INC 2721 CARDIFF COURT WINSTON-SALEM, NC 27103	20-0442598	501(C)(3)	10,000.	0.			$10,000 ARTS IN EDUCATION

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II)

(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
AUTHORING ACTION 411 W FOURTH STREET, 101C WINSTON-SALEM, NC 27101	38-3707584	501(C)(3)	5,280.	0.			$5,280 POWER2GIVE GRANT
CENTER FOR DESIGN INNOVATION 301 N MAIN STREET, SUITE 2150 WINSTON-SALEM, NC 27101	56-6065273	115(A)	10,000.	0.			$10,000 INNOVATIVE PROJECT GRANT
FESTIVAL STAGE OF WINSTON-SALEM PO BOX 20152 WINSTON-SALEM, NC 27120	27-2827423	501(C)(3)	46,550.	0.			$30,000 ORGANIZATIONAL SUPPORT GRANT & $16,550 ADVERTISING ASSISTANCE
NO RULES THEATRE COMPANY PO BOX 15332 WASHINGTON, DC 20003	27-0103523	501(C)(3)	32,015.	0.			$25,000 ORGANIZATIONAL SUPPORT GRANT & $7,015 ADVERTISING ASSISTANCE
TERPSICORPS THEATRE OF DANCE 129 ROBERTS STREET ASHEVILLE, NC 28801	54-2124670	501(C)(3)	10,000.	0.			$10,000 INNOVATIVE PROJECT GRANT
ARTS COUNCIL ENDOWMENT FUND, INC. 305 WEST FOURTH STREET, SUITE 1-C WINSTON-SALEM, NC 27101	26-2596119	501(C)(3)	69,043.	0.			$19,043 TRANSFER OF FUNDS PLEDGED AND RECEIVED DURING MILLENIUM FUNDS COMPREHENSIVE CAMPAIGN &
CAROLINA CHAMBER SYMPHONY PLAYERS P.O. BOX 20954 WINSTON-SALEM, NC 27120	56-1833973	501(C)(3)	5,000.	0.			$5,000 INNOVATIVE PROJECT GRANT
FORECAST MUSIC 431 PARK RIDGE LANE, APT C WINSTON-SALEM, NC 27104	20-1479202	501(C)(3)	5,000.	0.			$5,000 INNOVATIVE PROJECT GRANT
HELEN SIMONEAU DANSE 2564 ROBINHOOD ROAD WINSTON-SALEM, NC 27106	45-2901500	501(C)(3)	7,500.	0.			$7,500 INNOVATIVE PROJECT GRANT

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II)

(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
PAPER LANTERN THEATRE COMPANY 4120 BRIARCLIFFE ROAD WINSTON-SALEM, NC 27106	26-4380902	501(C)(3)	5,000.	0.			$5,000 INNOVATIVE PROJECT GRANT
WINSTON-SALEM THEATRE ALLIANCE 1047 NORTHWEST BLVD WINSTON-SALEM, NC 27101	56-1585412	501(C)(3)	5,273.	0.			$5,273 POWER2GIVE GRANT
ALBAN ELVED DANCE COMPANY 205 NORTH 15TH STREET WILMINGTON, NC 28401	91-2056631	501(C)(3)	7,000.	0.			$7,000 ARTS IN EDUCATION GRANT
ART FOR ARTS SAKE 205 W. 6TH STREET WINSTON-SALEM, NC 27101	75-3251740	501(C)(3)	10,000.	0.			$10,000 INNOVATIVE PROJECT GRANT

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
REGIONAL GRANTS	19	50,000.	0.		
ARTS IN EDUCATION	8	21,900.	0.		

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

SCHEDULE I, PART I, LINE 2: ORGANIZATIONAL SUPPORT GRANT RECIPIENTS:

EACH ORGANIZATION SUBMITS THE FOLLOWING INFORMATION AS REQUESTED IN THEIR CONTRACT:

MONTHLY ATTENDANCE REPORTING ON ORGANIZATIONAL EVENT STATISTICS TO THE ARTS COUNCIL VIA SURVEY MONKEY.

A SIX (6) MONTH FINANCIAL STATEMENT SHOULD BE SUBMITTED TO THE ARTS COUNCIL BY FEBRUARY 1 OF EACH YEAR.

AN OFFICIAL AUDIT MUST BE SUBMITTED ONE MONTH AFTER THE END OF THE

Part IV Supplemental Information

ORGANIZATION'S FISCAL YEAR.

A YEAR END FINANCIAL STATEMENT SHOULD BE SUBMITTED BY AUGUST 1.

ARTS AND EDUCATION AND INNOVATIVE PROJECT GRANT RECIPIENTS:

FINAL REPORTS THAT INCLUDE THE FOLLOWING INFORMATION:

AMOUNT AWARDED

AMOUNT SPENT

PROJECT NARRATIVE: DESCRIPTION AND EVALUATION OF THE PROJECT. DESCRIBE HOW THE PROJECT WAS PUBLICIZED, WHAT OCCURRED AND HOW SUCCESSFUL YOU THINK THE PROJECT WAS.

PARTICIPATION NARRATIVE: DESCRIPTION OF HOW PROFESSIONAL ARTISTS AND ORGANIZATIONS WERE INVOLVED IN THE PROJECT.

PARTICIPATION STATISTICS: PAID STAFF/VOLUNTEERS/AUDIENCE AND TOTAL PARTICIPANTS. THE ORGANIZATIONS ALSO PROVIDE INFORMATION ABOUT THE RACIAL/ETHNIC MAKEUP AND AGE.

PROJECT EXPENSES: ACCOUNT FOR PROJECT EXPENSES, THIS INCLUDES THE AMOUNT OF GRANT FUNDS SPENT AS WELL AS OTHER CASH EXPENSE SPENT BY THE GRANT RECIPIENT.

REGIONAL ARTIST PROJECT GRANT:

PROJECT NARRATIVE: A DESCRIPTION AND EVALUATION OF THE PROJECT, INCLUDING HOW THE GRANT IMPACTED YOUR CAREER AS AN ARTIST.

PROJECT EXPENSES: A SUMMARY OF THE PROJECT EXPENSES AS REFLECTED IN YOUR SUBMITTED BUDGET. INCLUDE COPIES OF RECEIPTS.

POWER2GIVE GRANT:

Part IV Supplemental Information

POWER2GIVE/WINSTON-SALEM IS AN ONLINE PROJECT FUNDRAISING PLATFORM ON POWER2GIVE.ORG. ARTS COUNCIL MEMBER ORGANIZATIONS (ALL 501(C)(3)S) MAY POST PROJECTS IN NEED OF FUNDING AND EMPOWER DONORS TO GIVE DIRECTLY TO THE PROJECTS THEY ARE MOST PASSIONATE ABOUT. THE FUNDS ARE GIVEN TO THE ARTS COUNCIL AND SUB-GRANTED TO THE MEMBER ORGANIZATIONS. IN ADDITION, THE ARTS COUNCIL RETAINS A 12% ADMINISTRATIVE FEE FOR ALL PROJECTS.

PART II, LINE 1, COLUMN (H):

NAME OF ORGANIZATION OR GOVERNMENT: PIEDMONT CRAFTSMAN

(H) PURPOSE OF GRANT OR ASSISTANCE: $85,000 ORGANIZATIONAL SUPPORT GRANT, $10,000 ARTS IN EDUCATION GRANT, $10,000 INNOVATIVE PROJECT GRANT & $7,887 ADVERTISING ASSISTANCE

NAME OF ORGANIZATION OR GOVERNMENT: ASSOCIATED ARTISTS OF WINSTON-SALEM

(H) PURPOSE OF GRANT OR ASSISTANCE: $51,000 ORGANIZATIONAL SUPPORT GRANT, $3,000 ARTS IN EDUCATION GRANT, $7,500 INNOVATIVE PROJECT GRANT & $3,944 IN ADVERTISING ASSISTANCE

NAME OF ORGANIZATION OR GOVERNMENT: PIEDMONT OPERA

(H) PURPOSE OF GRANT OR ASSISTANCE: $105,000 ORGANIZATIONAL SUPPORT GRANT, $2,500 INNOVATIVE PROJECT GRANT, & $24,043 ADVERTISING ASSISTANCE

NAME OF ORGANIZATION OR GOVERNMENT: REYNOLDA HOUSE MUSEUM OF AMERICAN ART

(H) PURPOSE OF GRANT OR ASSISTANCE: $80,000 ORGANIZATIONAL SUPPORT GRANT, $10,000 INNOVATIVE PROJECT GRANT & $35,821 ADVERTISING ASSISTANCE

NAME OF ORGANIZATION OR GOVERNMENT:

Part IV Supplemental Information

SOUTHEASTERN CENTER FOR CONTEMPORARY ART

(H) PURPOSE OF GRANT OR ASSISTANCE: $190,000 ORGANIZATIONAL SUPPORT GRANT, $9,000 ARTS IN EDUCATION GRANT, $10,000 INNOVATIVE PROJECT GRANT & $4,629 ADVERTISING ASSISTANCE

NAME OF ORGANIZATION OR GOVERNMENT: WINSTON-SALEM CHILDREN'S CHORUS

(H) PURPOSE OF GRANT OR ASSISTANCE: $15,000 ORGANIZATIONAL SUPPORT GRANT, $5,000 INNOVATIVE PROJECT GRANT & $8,326 ADVERTISING ASSISTANCE

NAME OF ORGANIZATION OR GOVERNMENT: ARTS COUNCIL ENDOWMENT FUND, INC.

(H) PURPOSE OF GRANT OR ASSISTANCE: $19,043 TRANSFER OF FUNDS PLEDGED AND RECEIVED DURING MILLENIUM FUNDS COMPREHENSIVE CAMPAIGN & $50,000 PER AGREEMENT BETWEEN TWIN CITY STAGE MATCH OF FIRST $50,000

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
2011
Open to Public Inspection

Name of the organization: THE ARTS COUNCIL, INC.
Employer identification number: 56-0526856

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items [X] First-class or charter travel [X] Travel for companions [X] Tax indemnification and gross-up payments [X] Discretionary spending account [X] Housing allowance or residence for personal use [X] Payments for business use of personal residence [X] Health or social club dues or initiation fees [X] 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	1b	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	X	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director Explain in Part III [X] Compensation committee [ ] Independent compensation consultant [ ] Form 990 of other organizations [X] Written employment contract [ ] Compensation survey or study [X] 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?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c		X
	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?	5a	X	
b	Any related organization? If "Yes" to line 5a or 5b, describe in Part III.	5b		X
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of.			
a	The organization?	6a		X
b	Any related organization? If "Yes" to line 6a or 6b, describe in Part III	6b		X
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
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	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9		

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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(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 as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 MILTON RHODES	(i)	179,210.	0.	0.	4,481.	7,148.	190,839.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2	(i)							
	(ii)							
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II Also complete this part for any additional information

PART I, LINE 5: THE EMPLOYMENT CONTRACT BETWEEN MR. RHODES AND THE ARTS COUNCIL PROVIDES FOR THE PAYMENT OF BONUS COMPENSATION TO MR. RHODES IF CERTAIN CONDITIONS ARE SATISFIED. A PORTION OF THE BONUS IS EARNED BASED ON THE BUILDING OF STRONG RELATIONSHIPS WITH OUR FUNDED PARTNERS, GOVERNMENTAL OFFICIALS, OUR BOARD MEMBERS, COMMUNITY LEADERS, AS WELL AS THE OVERALL LEADERSHIP OF THE ARTS COUNCIL STAFF. ANOTHER SUCH CONDITION RELATES TO THE PERFORMANCE OF THE ORGANIZATION IN MEETING FUNDRAISING GOALS. PURSUANT TO THE TERMS OF THE CONTRACT, THE ARTS COUNCIL DID NOT PAY OR ACCRUE BONUS COMPENSATION TO MR. RHODES IN THE FISCAL YEAR 2011-12.

SCHEDULE K
(Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization: THE ARTS COUNCIL, INC.
Employer identification number: 56-0526856

Part I Bond Issues

SEE PART VI FOR COLUMNS (A) AND (F) CONTINUATIONS

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	FORSYTH CNTY INDUSTRIAL FACILITIES & POLLUTION C	59-1225493	NONE	05/27/10	7500000.	CONSTRUCT A MULTI-USE BUILDIN		X		X		X
B												
C												
D												

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	7,500,000.							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	79,719.							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds	7,420,281.							
10	Capital expenditures from proceeds								
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2010							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

	A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2 Is the bond issue a variable rate issue?		X						
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintergrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?		X						
6 Did the bond issue qualify for an exception to rebate?		X						

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations ☐ Yes ☒ No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K.

SEE PART VI SUPPLEMENTAL EXPLANATION SHEET

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K.

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME:

FORSYTH CNTY INDUSTRIAL FACILITIES & POLLUTION CONTROL FINANCING AUTHORITY

(F) DESCRIPTION OF PURPOSE: CONSTRUCT A MULTI-USE BUILDING

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization: THE ARTS COUNCIL, INC.

Employer identification number 56-0526856

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	X	1	8,300.	FMV
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	X	8	135,918.	FMV
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 ▶ (MATERIALS)	X	1	23,743.	
26	Other ▶ (FURNISHINGS)	X	1	3,275.	
27	Other ▶ (EQUIPMENT)	X	1	2,400.	
28	Other ▶ (GIFT CERTIFIC)	X	19	1,965.	

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

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

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization	Employer identification number
THE ARTS COUNCIL, INC.	56-0526856

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:
ENRICH THE QUALITY OF LIFE IN FORSYTH AND SURROUNDING COUNTIES. OTHER NON-ART RELATED ORGANIZATIONS MAY RENT THESE FACILITIES AS WELL.

FORM 990, PART VI, SECTION B, LINE 11: THE FORM 990 IS REVIEWED BY THE FINANCE COMMITTEE AND THE CEO BEFORE IT IS FILED WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 15A: COMPENSATION IS DETERMINED AND APPROVED BY THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES AND IS BASED ON SEVERAL FACTORS, INCLUDING (A) EVALUATIONS SUBMITTED ANONYMOUSLY BY THE MEMBERS OF THE BOARD OF TRUSTEES AND THE EXECUTIVE DIRECTORS OF THE FUNDED PARTNERS; AND (B) HIS PERFORMANCE AS MEASURED AGAINST METRICS SPECIFIED IN HIS EMPLOYMENT CONTRACT.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION MAKES IT GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED LOSSES ON INVESTMENTS:	-15,021.
PRIOR PERIOD ADJUSTMENTS:	-144,340.
TOTAL TO FORM 990, PART XI, LINE 5	-159,361.

FORM 990, PART XII, LINE 2C:
THE OVERSIGHT/SELECTION PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

SCHEDULE R
(Form 990)
Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization: THE ARTS COUNCIL, INC.

Employer identification number: 56-0526856

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
FACILITIES FOR THE ARTS ON SPRUCE FOUNDATION - 26-1844532, 305 WEST 4TH STREET, SUITE 1-C, WINSTON-SALEM, NC 27101	TO PROVIDE FACILITIES FOR ARTISTS AND ART ORGANIZATIONS	NORTH CAROLINA	501(C)(3)	509(A)(3)			X

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36)

			Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.				
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c		X
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Sale of assets to related organization(s)	1f		X
g	Purchase of assets from related organization(s)	1g		X
h	Exchange of assets with related organization(s)	1h	X	
i	Lease of facilities, equipment, or other assets to related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from related organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for related organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations by related organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		X
n	Sharing of paid employees with related organization(s)	1n		X
o	Reimbursement paid to related organization(s) for expenses	1o		X
p	Reimbursement paid by related organization(s) for expenses	1p	X	
q	Other transfer of cash or property to related organization(s)	1q	X	
r	Other transfer of cash or property from related organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 37)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners sec 501(c)(3) orgs ? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor-tionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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Part VII **Supplemental Information**

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

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

(A) Name and title	(B) Average hours per week	(C) Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(27) AMY WEIN BOARD MEMBER	1.00	X						0.	0.	0.
(28) ERROL WINT BOARD MEMBER	1.00	X						0.	0.	0.
(29) LUCIA MARSHALL BOARD MEMBER	1.00	X						0.	0.	0.
(30) DR. PEDRO MARTINEZ BOARD MEMBER	1.00	X						0.	0.	0.
(31) DR. JOHN MCCONNELL BOARD MEMBER	1.00	X						0.	0.	0.
(32) SIOBHAN OLSON BOARD MEMBER	1.00	X						0.	0.	0.
(33) SILVIA RODRIGUEZ BOARD MEMBER	1.00	X						0.	0.	0.
(34) RANDALL S. TUTTLE BOARD MEMBER	1.00	X						0.	0.	0.
(35) WILLIAM F. WOMBLE, JR. BOARD MEMBER	1.00	X						0.	0.	0.
(36) PEGGY JOINES BOARD MEMBER	1.00	X						0.	0.	0.
(37) STEVE DOLLASE CHAIR- MARKETING COMMITTEE	1.00	X						0.	0.	0.
(38) MILTON RHODES PRESIDENT & CEO	40.00				X			179,210.	0.	11,629.
Total to Part VII, Section A, line 1c								179,210.		11,629.