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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 private foundations)

Do not enter Social Security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013Open to Public
Inspection**A** For the 2013 calendar year, or tax year beginning **OCT 1, 2013** and ending **SEP 30, 2014****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 province, country, and ZIP or foreign postal code

WINSTON-SALEM, NC 27101**F** Name and address of principal officer: **MR. JAMES SPARROW**
SAME AS C ABOVE**D** Employer identification number**56-0526856****E** Telephone number**336-722-2585****G** Gross receipts \$ **4,247,518.****H(a)** Is this a group return

for subordinates?

☐ Yes☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c)() (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: **WWW.INTOTHEARTS.ORG****K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: **1949** **M** State of legal domicile: **NC****Part I Summary**

Activities & Governance		Revenue		Expenses		Net Assets or Fund Balances	
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		39			
4	Number of independent voting members of the governing body (Part VI, line 1b)	4		39			
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5		13			
6	Total number of volunteers (estimate if necessary)	6		380			
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a		0.			
7b	Net unrelated business taxable income from Form 990-T, line 34	7b		0.			
8	Contributions and grants (Part VIII, line 1h)	8	Prior Year	4,107,497.	Current Year		
9	Program service revenue (Part VIII, line 2g)	9	3,407,059.	0.	4,107,497.		
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10	0.	0.			
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11	20,937.	<129,097.>			
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	12	16,949.	15,583.			
13	Grants and similar amounts paid (Part IX, column (A), line 13)	13	3,444,945.	3,993,983.			
14	Benefits paid to or for members (Part IX, column (A), line 4)	14	2,047,851.	2,345,528.			
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	15	0.	0.			
16a	Professional fundraising fees (Part IX, column (A), line 11e)	16a	766,800.	646,294.			
16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 699,261.	16b	0.	0.			
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	17	891,293.	635,215.			
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	18	3,705,944.	3,627,037.			
19	Revenue less expenses Subtract line 18 from line 12	19	<260,999.>	366,946.			
20	Total assets (Part X, line 16)	20	Beginning of Current Year	15,777,139.	End of Year		
21	Total liabilities (Part X, line 26)	21	15,922,949.	7,288,373.	6,700,683.		
22	Net assets or fund balances Subtract line 21 from line 20	22	8,634,576.	9,076,456.			

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 of officer **James Sparrow** Date **8/17/15**
 ▶ **MR. JAMES SPARROW, PRESIDENT & CEO**
 Type or print name and title

Paid Preparer Use Only
 Print/Type preparer's name **JANE R POTTER** Preparer's signature **Jane R Potter** Date **8/17/15** Check ☐ self-employed PTIN **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)

☒ Yes ☐ No

GT-20

SCANNED SEP 10 2015

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line 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 ☒ No

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

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

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

4 Describe the 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 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 \$ 2,345,528. including grants of \$ 2,345,528.) (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 2,345,528.

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)? <i>If "Yes," complete Schedule A</i>	1 X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	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? <i>If "Yes," complete Schedule C, Part I</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? <i>If "Yes," complete Schedule C, Part II</i>	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? <i>If "Yes," complete Schedule C, Part III</i>	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? <i>If "Yes," complete Schedule D, Part I</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? <i>If "Yes," complete Schedule D, Part II</i>	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9	X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	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? <i>If "Yes," complete Schedule D, Part VI</i>	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? <i>If "Yes," complete Schedule D, Part VII</i>	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? <i>If "Yes," complete Schedule D, Part VIII</i>	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? <i>If "Yes," complete Schedule D, Part IX</i>	11d X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	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)? <i>If "Yes," complete Schedule D, Part X</i>	11f X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	12a	X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	12b X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	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? <i>If "Yes," complete Schedule F, Parts I and IV</i>	14b	X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	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? <i>If "Yes," complete Schedule G, Part I</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? <i>If "Yes," complete Schedule G, Part II</i>	18	X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a	X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21 X	
22 Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	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? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a X	
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	X
24c 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
24d 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? <i>If "Yes," complete Schedule L, Part I</i>	25a	X
25b 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? <i>If "Yes," complete Schedule L, Part I</i>	25b	X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	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? <i>If "Yes," complete Schedule L, Part III</i>	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)		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
28c 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? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29 X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	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? <i>If "Yes," complete Schedule R, Part I</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34 X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
35b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? <i>If "Yes," complete Schedule R, Part VI</i>	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	38 X	

Form 990 (2013)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	2	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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	13	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O		
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)?		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?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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 as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		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?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
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?		
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? 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?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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 or note to any line in this Part VI

☒**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 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.	39	
b Enter the number of voting members included in line 1a, above, who are independent	39	
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?		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?		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6 Did the organization have members or stockholders?		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?		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?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	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		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?		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?		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	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	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	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		X
13 Did the organization have a written whistleblower policy?		X
14 Did the organization have a written document retention and destruction policy?		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	X	
b Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		X
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?		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?		

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 ☒ Upon request ☐ Other (explain in Schedule O)

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 ContractorsCheck if Schedule O contains a response or note to any line 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 (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) STEVE BERLIN CHAIR	1.00	X		X				0.	0.	0.
(2) ANDREW GILCHRIST VICE CHAIR- ADMINISTRATION	1.00	X		X				0.	0.	0.
(3) TOM INGRAM VICE CHAIR- BOARD DEVELOPM	1.00	X		X				0.	0.	0.
(4) LAWREN DESAI CO VICE CHAIR-AGENCY RELATIONS	1.00	X		X				0.	0.	0.
(5) LUCIA MARSHALL 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) MARYBETH WALLACE SECRETARY	1.00	X		X				0.	0.	0.
(8) RICK MOSS TREASURER & FINANCE CHAIR	1.00	X		X				0.	0.	0.
(9) GREG SCOTT AT LARGE EXECUTIVE MEMBER	1.00	X		X				0.	0.	0.
(10) ERROL WINT AT LARGE EXECUTIVE MEMBER	1.00	X		X				0.	0.	0.
(11) ALLISON PERKINS MEMBER GROUP REPRESENTATIV	1.00	X		X				0.	0.	0.
(12) SILVIA RODRIGUEZ CHAIR- MEMBERSHIP COMMITTEE	1.00	X						0.	0.	0.
(13) JIMMY BROUGHTON CO-CHAIR- ADVOCACY COMMITTEE	1.00	X						0.	0.	0.
(14) BRENDA ALLEN BOARD MEMBER	1.00	X						0.	0.	0.
(15) CHAD CHEEK BOARD MEMBER	1.00	X						0.	0.	0.
(16) ROBERT BESEDA BOARD MEMBER	1.00	X						0.	0.	0.
(17) CARMEN RUSSELL BONHAM BOARD MEMBER	1.00	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 (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) AMOGH BHONDE BOARD MEMBER	1.00	X						0.	0.	0.
(19) RON EVANS BOARD MEMBER	1.00	X						0.	0.	0.
(20) NATASHA GORE BOARD MEMBER	1.00	X						0.	0.	0.
(21) ANNA GALLIMORE BOARD MEMBER	1.00	X						0.	0.	0.
(22) ALLEN SHAW BOARD MEMBER	1.00	X						0.	0.	0.
(23) HOWARD UPCHURCH BOARD MEMBER	1.00	X						0.	0.	0.
(24) SUE HENDERSON BOARD MEMBER	1.00	X						0.	0.	0.
(25) MIKE LANCASTER BOARD MEMBER	1.00	X						0.	0.	0.
(26) CRAIG GUNCKEL BOARD MEMBER	1.00	X						0.	0.	0.
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								39,808.	0.	2,844.
d Total (add lines 1b and 1c)								39,808.	0.	2,844.

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 **0**

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

Section B. Independent Contractors

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

Form 990 (2013)

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 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	4,107,497.			
	g Noncash contributions included in lines 1a-1f \$		76,017.			
	h Total. Add lines 1a-1f		4,107,497.			
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)		1,087.			1,087.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real (ii) Personal				
	b Less: rental expenses	9,600.				
	c Rental income or (loss)	0.				
	d Net rental income or (loss)	9,600.	9,600.			9,600.
	7 a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b Less cost or other basis and sales expenses	123,351.				
	c Gain or (loss)	123,535. 130,000.				
	d Net gain or (loss)	<184.> <130,000.>	<130,184.>			<130,184.>
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
	b Less direct expenses					
	c Net income or (loss) from fundraising events					
	9 a Gross income from gaming activities See Part IV, line 19					
	b Less direct expenses					
	c Net income or (loss) from gaming activities					
	10 a Gross sales of inventory, less returns and allowances					
	b Less cost of goods sold					
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a MISCELLANEOUS INCOME	900099	5,983.			5,983.	
b						
c						
d All other revenue						
e Total. Add lines 11a-11d		5,983.				
12 Total revenue. See instructions.		3,993,983.	0.	0.	<113,514.>	

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)

Check if Schedule O contains a response or note to any line 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	2,283,778.	2,283,778.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	61,750.	61,750.		
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	157,689.		20,382.	137,307.
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	340,687.		164,768.	175,919.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	84,181.		45,896.	38,285.
9 Other employee benefits				
10 Payroll taxes	63,737.		37,562.	26,175.
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	17,500.		17,500.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	80,738.			80,738.
12 Advertising and promotion	9,716.			9,716.
13 Office expenses	162,917.		32,281.	130,636.
14 Information technology	22,930.		22,930.	
15 Royalties				
16 Occupancy	67,871.		67,871.	
17 Travel	60.		60.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	30,807.		8,048.	22,759.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	74,177.		74,177.	
23 Insurance	18,464.		18,464.	
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 MISCELLANEOUS	70,428.		25,370.	45,058.
b BANKING FEES	32,092.		15,724.	16,368.
c BAD DEBT EXPENSE	25,976.		25,976.	
d SPECIAL EVENTS	16,300.			16,300.
e All other expenses	5,239.		5,239.	
25 Total functional expenses. Add lines 1 through 24e	3,627,037.	2,345,528.	582,248.	699,261.
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 SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	134,811.	1	1,003,713.
	2 Savings and temporary cash investments	1,316,459.	2	542,298.
	3 Pledges and grants receivable, net	4,127,603.	3	3,669,584.
	4 Accounts receivable, net	165,492.	4	215,504.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other 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 instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	362,261.	8	232,260.
	9 Prepaid expenses and deferred charges	241,956.	9	191,220.
	10a Land, buildings, and equipment - cost or other basis. Complete Part VI of Schedule D	10a 581,129.		
	b Less: accumulated depreciation	10b 400,597.	10c	180,532.
	11 Investments - publicly traded securities	148,325.	11	
	12 Investments - other securities See Part IV, line 11		12	
	13 Investments - program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	9,174,250.	15	9,742,028.
16 Total assets. Add lines 1 through 15 (must equal line 34)	15,922,949.	16	15,777,139.	
Liabilities	17 Accounts payable and accrued expenses	194,846.	17	56,960.
	18 Grants payable	2,144.	18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	6,917,233.	20	6,612,232.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other 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	174,150.	25	31,491.
	26 Total liabilities. Add lines 17 through 25	7,288,373.	26	6,700,683.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	2,625,801.	27	4,015,058.
	28 Temporarily restricted net assets	6,008,775.	28	5,061,398.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), 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	8,634,576.	33	9,076,456.	
34 Total liabilities and net assets/fund balances	15,922,949.	34	15,777,139.	

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Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,993,983.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,627,037.
3	Revenue less expenses. Subtract line 2 from line 1	3	366,946.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	8,634,576.
5	Net unrealized gains (losses) on investments	5	29,909.
6	Donated services and use of facilities	6	45,025.
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	9,076,456.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

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

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

If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both

☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis

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

If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both.

☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis

- 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?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

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

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

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

Form 990 (2013)

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.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

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 ☒ 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 - Non-functionally integrated

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

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

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

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) A family member of a person described in (i) above?

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

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

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

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

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

Schedule A (Form 990 or 990-EZ) 2013

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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	6,291,789.	3,575,548.	3,667,006.	3,407,059.	4,107,497.	21,048,899.
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	6,291,789.	3,575,548.	3,667,006.	3,407,059.	4,107,497.	21,048,899.
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)						2,611,511.
6 Public support. Subtract line 5 from line 4						18,437,388.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4	6,291,789.	3,575,548.	3,667,006.	3,407,059.	4,107,497.	21,048,899.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	960,803.	8,509.	26,722.	22,254.	1,087.	1,019,375.
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.	6,744.	5,983.	13,823.
11 Total support. Add lines 7 through 10						22,082,097.
12 Gross receipts from related activities, etc. (see instructions)					12	14,955.
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 2013 (line 6, column (f) divided by line 11, column (f))	14	83.49 %
15 Public support percentage from 2012 Schedule A, Part II, line 14	15	84.52 %
16a 33 1/3% support test - 2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☒		
b 33 1/3% support test - 2012. 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 - 2013. 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 - 2012. 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2013. 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 - 2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐

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

Part IV

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b, and Part III, line 12

Also complete this part for any additional information (See instructions)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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.

▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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)	☐ Preservation of an historically important land area
☐ Protection of natural habitat	☐ Preservation of a certified historic structure
☐ Preservation of open space	

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 XIII, 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 XIII, 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 XIII.

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 XIII and complete the following table:

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

	Amount
1c	
1d	
1e	
1f	

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

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
1b					
1c					
1d					
1e					
1f					

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:

(i) unrelated organizations

(ii) related organizations

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

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

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

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. 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				
1b Buildings				
1c Leasehold improvements		47,129.	14,930.	32,199.
1d Equipment		294,047.	204,386.	89,661.
1e Other		239,953.	181,281.	58,672.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				180,532.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b 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)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ►		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c See Form 990, Part X, line 13.

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

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d See Form 990, Part X, line 15.

Complete if the organization answered "Yes" to Form 990, Part VII, line 10a or Form 990-BE, line 10a	
(a) Description	(b) Book value
(1) LIFE INSURANCE	473,629.
(2) DUE FROM FACILITIES FOR THE ARTS ON SPRUCE	9,268,399.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15)	9,742,028.

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f See Form 990, Part X, line 25

1.		(a) Description of liability	(b) Book value
(1)		Federal income taxes	
(2)		INTEREST RATE SWAP LIABILITY	31,491.
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
Total.		(Column (b) must equal Form 990, Part X, col. (B) line 25.)	31,491.

2. Liability for uncertain tax positions In Part XIII, 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) Check here if the text of the footnote has been provided in Part XIII ☒

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

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 XIII.)	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 XIII.)	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 XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

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 XIII.)	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 XIII.)	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 XIII Supplemental Information.

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, lines 2d and 4b, and Part XII, 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 ENTITY 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 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.

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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?

☒ 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. 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)	5,000.	0.			\$5,000 ARTS IN EDUCATION GRANT
UNIVERSITY OF NORTH CAROLINA SCHOOL OF THE ARTS FOUNDATION - 1533 SOUTH MAIN STREET - WINSTON-SALEM, NC 27127	56-6064850	501(C)(3)	16,000.	0.			\$6,000 ARTS IN EDUCATION GRANT & \$10,000 INNOVATIVE PROJECT GRANT
PIEDMONT CRAFTSMAN 601 NORTH TRADE STREET WINSTON-SALEM, NC 27101	56-0818342	501(C)(3)	105,324.	0.			\$85,000 ORGANIZATIONAL SUPPORT GRANT, \$7,000 ARTS IN EDUCATION GRANT & \$13,324 ADVERTISING
WINSTON-SALEM SYMPHONY 201 N. BROAD STREET, SUITE 200 WINSTON-SALEM, NC 27101	56-0692826	501(C)(3)	263,573.	0.			\$245,000 ORGANIZATIONAL SUPPORT GRANT, \$7,000 ARTS IN EDUCATION GRANT, \$11,573 ADVERTISING
ASSOCIATED ARTISTS OF WINSTON-SALEM - 301 WEST FOURTH STREET - WINSTON-SALEM, NC 27101	58-1498864	501(C)(3)	21,000.	0.			\$18,000 ORGANIZATIONAL SUPPORT GRANT, \$3,000 ARTS IN EDUCATION GRANT
HISPANIC ARTS INITIATIVE 305 WEST FOURTH STREET, SUITE 1-C WINSTON-SALEM, NC 27101	20-4918395	501(C)(3)	22,800.	0.			\$20,000 ORGANIZATIONAL SUPPORT GRANT & \$2,800 ARTS IN EDUCATION GRANT

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

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

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

SEE PART IV FOR COLUMN (H) DESCRIPTIONS

Schedule I (Form 990) (2013)

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
KERNERSVILLE LITTLE THEATRE P.O. BOX 822 KERNERSVILLE, NC 27285	59-1771526	501(C)(3)	8,900.	0.			\$8,900 ORGANIZATIONAL SUPPORT GRANT
NORTH CAROLINA BLACK REPERTORY COMPANY - 610 COLISEUM DRIVE - WINSTON-SALEM, NC 27106	58-1518704	501(C)(3)	194,968.	0.			\$185,000 ORGANIZATIONAL SUPPORT GRANT & \$9,968 IN ADVERTISING ASSISTANCE
OLD SALEM P.O. DRAWER F, SALEM STATION WINSTON-SALEM, NC 27108	56-0587289	501(C)(3)	70,000.	0.			\$70,000 ORGANIZATIONAL SUPPORT GRANT
PIEDMONT CHAMBER SINGERS P.O. BOX 20573 WINSTON-SALEM, NC 27120	58-1348531	501(C)(3)	9,000.	0.			\$9,000 ORGANIZATIONAL SUPPORT GRANT
PIEDMONT OPERA 235 N. CHERRY STREET, SUITE 100 WINSTON-SALEM, NC 27101	59-1743689	501(C)(3)	135,941.	0.			\$102,500 ORGANIZATIONAL SUPPORT GRANT, \$5,000 INNOVATIVE PROJECT GRANT & \$28,441 ADVERTISING
PIEDMONT WIND SYMPHONY 526 S. STRATFORD ROAD WINSTON-SALEM, NC 27103	56-1627179	501(C)(3)	25,000.	0.			\$20,000 ORGANIZATIONAL SUPPORT GRANT & \$5,000 INNOVATIVE PROJECT GRANT
REYNOLDA HOUSE MUSEUM OF AMERICAN ART - P.O. BOX 7287 - WINSTON-SALEM, NC 27109	56-0810676	501(C)(3)	97,973.	0.			\$75,000 ORGANIZATIONAL SUPPORT GRANT & \$22,973 ADVERTISING ASSISTANCE
RIVERRUN INTERNATIONAL FILM FESTIVAL - 305 WEST FOURTH STREET, SUITE 1-A - WINSTON-SALEM, NC 27101	20-0254183	501(C)(3)	100,000.	0.			\$100,000 ORGANIZATIONAL SUPPORT GRANT
SAWTOOTH SCHOOL OF VISUAL ART 305 WEST FOURTH STREET, SUITE 1-C WINSTON-SALEM, NC 27101	56-0596516	501(C)(3)	143,100.	0.			\$140,000 ORGANIZATIONAL SUPPORT GRANT & \$3,100 ARTS IN EDUCATION GRANT

Schedule I (Form 990)

Schedule I (Form 990) THE ARTS COUNCIL, INC.

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
SOUTHEASTERN CENTER FOR CONTEMPORARY ART - 750 MARGUERITE DRIVE - WINSTON-SALEM, NC 27106	56-0656890	501(C)(3)	197,000.	0.			\$185,000 ORGANIZATIONAL SUPPORT GRANT, \$7,000 ARTS IN EDUCATION GRANT, & \$5,000 INNOVATIVE
THE LITTLE THEATRE OF WINSTON-SALEM/TWIN CITY STAGE - 610 COLISEUM DRIVE - WINSTON-SALEM, NC 27106	56-0526835	501(C)(3)	240,000.	0.			\$240,000 ORGANIZATIONAL SUPPORT GRANT
WINSTON-SALEM FESTIVAL BALLET 305 WEST FOURTH STREET, SUITE 1-C WINSTON-SALEM, NC 27101	56-1631225	501(C)(3)	44,052.	0.			\$37,500 ORGANIZATIONAL SUPPORT GRANT, \$4,000 ARTS IN EDUCATION GRANT & \$14,100 ORGANIZATIONAL SUPPORT GRANT, \$4,000 POWER2GIVE GRANT & \$4,705 ADVERTISING ASSISTANCE
WINSTON-SALEM CHILDREN'S CHORUS P.O. BOX 15342 WINSTON-SALEM, NC 27113	56-2059778	501(C)(3)	22,805.	0.			\$37,500 ORGANIZATIONAL SUPPORT GRANT & \$5,000 INNOVATIVE PROJECT GRANT
WINSTON-SALEM DELTA FINE ARTS 2611 NEW WALKERTOWN ROAD WINSTON-SALEM, NC 27101	23-7282952	501(C)(3)	42,500.	0.			\$5,180 ADVERTISING ASSISTANCE
FORSYTH COUNTY LIBRARY 660 WEST FIFTH STREET WINSTON-SALEM, NC 27101	56-6000450	SECTION 170, C1	5,180.	0.			\$12,500 ORGANIZATIONAL SUPPORT GRANT & \$5,243 POWER2GIVE GRANT
AUTHORING ACTION 411 W FOURTH STREET, 101C WINSTON-SALEM, NC 27101	38-3707584	501(C)(3)	17,743.	0.			\$5,331 ADVERTISING ASSISTANCE, & \$28,400 OTHER GENERAL GRANT
NO RULES THEATRE COMPANY PO BOX 15332 WASHINGTON, DC 20003	27-0103523	501(C)(3)	33,731.	0.			\$75,000 PER AGREEMENT BETWEEN TWIN CITY STAGE
ARTS COUNCIL ENDOWMENT FUND, INC. 305 WEST FOURTH STREET, SUITE 1-C WINSTON-SALEM, NC 27101	26-2596119	501(C)(3)	75,000.	0.			

Schedule I (Form 990)

THE ARTS COUNCIL, INC.

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
HELEN SIMONEAU DANSE 2564 ROBINHOOD ROAD WINSTON-SALEM, NC 27106	45-2901500	501(C)(3)	5,000.	0.			\$5,000 INNOVATIVE PROJECT GRANT
CAROLINA CHAMBER SYMPHONY PLAYERS PO BOX 20954 WINSTON-SALEM, NC 27120	56-1833973	501(C)(3)	10,000.	0.			\$10,000 INNOVATIVE PROJECT GRANT
CREATIVE CORRIDORS 380-H KNOLLWOOD STREET WINSTON-SALEM, NC 27103	27-2760328	501(C)(3)	7,500.	0.			\$7,500 INNOVATIVE PROJECT GRANT
BOOKMARKS PO BOX 11867 WINSTON-SALEM, NC 27116	54-2152610	501(C)(3)	14,320.	0.			\$2,000 ARTS IN EDUCATION GRANT, \$5,000 INNOVATIVE PROJECT GRANT, \$4,120 ADVERTISING ASSISTANCE
CAROLINA MUSIC WAYS 380-H KNOLLWOOD STREET WINSTON-SALEM, NC 27103	30-0169664	501(C)(3)	5,000.	0.			\$5,000 ARTS IN EDUCATION GRANT
CITY OF WINSTON-SALEM PO BOX 2756 WINSTON-SALEM, NC 27102	56-6000241	501(C)(1)	5,280.	0.			\$5,280 POWER2GIVE GRANT
DOWNTOWN WINSTON-SALEM PARTNERSHIP 305 WEST FOURTH STREET, STE 2E WINSTON-SALEM, NC 27101	56-1152367	501(C)(3)	5,000.	0.			\$5,000 INNOVATIVE PROJECT GRANT
PAPER LANTERN THEATRE COMPANY 4120 BRIARCLIFFE ROAD WINSTON-SALEM, NC 27106	26-4380902	501(C)(3)	37,975.	0.			\$10,000 INNOVATIVE PROJECT GRANT & \$27,975 OTHER GENERAL GRANT
TRIAD PRIDE MEN'S CHORUS 200 N DAVIS STREET GREENSBORO, NC 27401	56-2110477	501(C)(3)	5,000.	0.			\$5,000 INNOVATIVE PROJECT GRANT

Schedule I (Form 990)

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	15	30,000.	0.		
ARTS IN EDUCATION	8	31,750.	0.		

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.**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.

Part IV Supplemental Information

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

Part IV Supplemental Information

POWER2GIVE GRANT:

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, \$7,000 ARTS IN EDUCATION GRANT & \$13,324 ADVERTISING ASSISTANCE

NAME OF ORGANIZATION OR GOVERNMENT: WINSTON-SALEM SYMPHONY

(H) PURPOSE OF GRANT OR ASSISTANCE: \$245,000 ORGANIZATIONAL SUPPORT GRANT, \$7,000 ARTS IN EDUCATION GRANT, \$11,573 ADVERTISING ASSISTANCE

NAME OF ORGANIZATION OR GOVERNMENT: PIEDMONT OPERA

(H) PURPOSE OF GRANT OR ASSISTANCE: \$102,500 ORGANIZATIONAL SUPPORT GRANT, \$5,000 INNOVATIVE PROJECT GRANT & \$28,441 ADVERTISING ASSISTANCE

NAME OF ORGANIZATION OR GOVERNMENT:

SOUTHEASTERN CENTER FOR CONTEMPORARY ART

(H) PURPOSE OF GRANT OR ASSISTANCE: \$185,000 ORGANIZATIONAL SUPPORT GRANT, \$7,000 ARTS IN EDUCATION GRANT, & \$5,000 INNOVATIVE PROJECT GRANT

NAME OF ORGANIZATION OR GOVERNMENT: WINSTON-SALEM FESTIVAL BALLET

Part IV Supplemental Information

(H) PURPOSE OF GRANT OR ASSISTANCE:

\$37,500 ORGANIZATIONAL SUPPORT GRANT, \$4,000 ARTS IN EDUCATION GRANT &
\$702 ADVERTISING ASSISTANCE

NAME OF ORGANIZATION OR GOVERNMENT: BOOKMARKS

(H) PURPOSE OF GRANT OR ASSISTANCE: \$2,000 ARTS IN EDUCATION GRANT,
\$5,000 INNOVATIVE PROJECT GRANT, \$4,120 ADVERTISING ASSISTANCE & \$3,200
POWER2GIVE GRANT

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

Supplemental Information on Tax-Exempt Bonds
► Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
► Attach to Form 990. ► See separate instructions. ► Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047
2013
Open to Public Inspection

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

THE ARTS COUNCIL, INC.											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		(h) On behalf of issuer		(i) Pooled financing				
						Yes	No	Yes	No	Yes	No			
FORSYTH CNTY INDUSTRIAL A FACILITIES & POLLUTION	C59-1225493	NONE	05/27/10	7,500,000.	CONSTRUCT A MULTI-USE BUILDING		X		X		X			
B														
C														
D														

Part II Proceeds									
		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
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							
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		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		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		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	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 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X						
b Exception to rebate?		X						
c No rebate due?		X						
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X						
4a 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 superintegrated?								
e Was the hedge terminated?								

Part IV Arbitrage (Continued)

5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?	A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
b	Name of provider		X						
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V Procedures To Undertake Corrective Action

	Has 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?	A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
			X						

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions)

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

OMB No 1545-0047

2013

Open to Public
Inspection

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶ Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

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				
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	15	66,676.	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 ▶ (<u>ENTERTAINMENT</u>)	X	3	4,260.	FMV
26	Other ▶ (<u>FLOWERS</u>)	X	10	3,746.	FMV
27	Other ▶ (<u>GIFT CERTIFIC</u>)	X	8	1,335.	FMV
28	Other ▶ ()				

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

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

Part II

Supplemental Information. Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization

THE ARTS COUNCIL, INC.

Employer identification number

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 XII, LINE 2C:

THE OVERSIGHT/SELECTION PROCESS HAS NOT CHANGED FROM THE
PRIOR YEAR.

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36**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**b** Gift, grant, or capital contribution to related organization(s)**c** Gift, grant, or capital contribution from related organization(s)**d** Loans or loan guarantees to or for related organization(s)**e** Loans or loan guarantees by related organization(s)**f** Dividends from related organization(s)**g** Sale of assets to related organization(s)**h** Purchase of assets from related organization(s)**i** Exchange of assets with related organization(s)**j** Lease of facilities, equipment, or other assets to related organization(s)**k** Lease of facilities, equipment, or other assets from related organization(s)**l** Performance of services or membership or fundraising solicitations for related organization(s)**m** Performance of services or membership or fundraising solicitations by related organization(s)**n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)**o** Sharing of paid employees with related organization(s)**p** Reimbursement paid to related organization(s) for expenses**q** Reimbursement paid by related organization(s) for expenses**r** Other transfer of cash or property to related organization(s)**s** Other transfer of cash or property from related organization(s)**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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved	Yes	No
(1)						
(2)						
(3)						
(4)						
(5)						
(6)						

Part VII Supplemental Information

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 <i>(continued)</i>
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Part VII. Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)										
(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) BEVERLY JENNINGS BOARD MEMBER	1.00	X						0.	0.	0.
(28) DR. JOHN MCCONNELL ANNUAL CAMPAIGN CO-CHAIR	1.00	X						0.	0.	0.
(29) ANC NEWMAN BOARD MEMBER	1.00	X						0.	0.	0.
(30) JEFF LINDSAY CHAIR- ANNUAL CAMPAIGN	1.00	X						0.	0.	0.
(31) STUART PARKS BOARD MEMBER	1.00	X						0.	0.	0.
(32) WILLIAM F. WOMBLE, JR. BOARD MEMBER	1.00	X						0.	0.	0.
(33) PEGGY REINGOLD BOARD MEMBER	1.00	X						0.	0.	0.
(34) STEVE DOLLASE MKTING COMM CHAIR; AT-LARGE EXEC COM	1.00	X		X				0.	0.	0.
(35) WANDA MERSCHER BOARD MEMBER	1.00	X						0.	0.	0.
(36) MARK PETERS BOARD MEMBER	1.00	X						0.	0.	0.
(37) WADE WEAST BOARD MEMBER	1.00	X						0.	0.	0.
(38) CHERYL LINDSAY CO VICE CHAIR-AGENCY RELATIONS	1.00	X		X				0.	0.	0.
(39) CYNTHIA WILLIAMS CHAIR- PERSONNEL COMMITTEE	1.00	X						0.	0.	0.
(40) JAMES SPARRON PRESIDENT & CEO	40.00			X				39,808.	0.	2,844.