

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)  
 The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2007 calendar year, or tax year beginning 7/01/07, and ending 6/30/08**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	<b>C</b> Name of organization <b>UNITED ARTS COUNCIL OF RALEIGH AND WAKE COUNTY INC</b>	<b>D</b> Employer identification number <b>56-0770175</b>
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>110 S BLOUNT STREET</b>	<b>E</b> Telephone number <b>919-839-1498</b>
		City or town, state or country, and ZIP + 4 <b>RALEIGH NC 27601</b>	<b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

**H** and **I** are not applicable to section 527 organizations.

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes," enter number of affiliates **u** .....

**H(c)** Are all affiliates included?  Yes  No  
(If "No," attach a list. See instructions.)

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Group Exemption Number **u**

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**G Website:** **j WWW.UNITEDARTS.ORG**

**J Organization type**  
(check only one)  501(c) ( **3** )  4947(a)(1) or  527

**K** Check here   if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **u** **1,843,691**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received:			
	<b>a</b> Contributions to donor advised funds	1a		
	<b>b</b> Direct public support (not included on line 1a)	1b	532,617	
	<b>c</b> Indirect public support (not included on line 1a)	1c		
	<b>d</b> Government contributions (grants) (not included on line 1a)	1d	706,798	
	<b>e</b> Total (add lines 1a through 1d) (cash \$ <b>1,174,211</b> noncash \$ <b>65,204</b> )	1e		1,239,415
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	2		348,443
	<b>3</b> Membership dues and assessments	3		
	<b>4</b> Interest on savings and temporary cash investments	4		
	<b>5</b> Dividends and interest from securities	5		23,033
	<b>6a</b> Gross rents	6a		
	<b>b</b> Less: rental expenses	6b		
<b>c</b> Net rental income or (loss). Subtract line 6b from line 6a	6c			
<b>7</b> Other investment income (describe <b>u</b> )	7			
Revenue	<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
	<b>b</b> Less: cost or other basis and sales expenses	8a		
	<b>c</b> Gain or (loss) (attach schedule)	8b	4,329	
	<b>d</b> Net gain or (loss). Combine line 8c, columns (A) and (B)	8c	-4,329	
	<b>9</b> Special events and activities (attach schedule). If any amount is from gaming, check here <input checked="" type="checkbox"/>			
	<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a	232,800	
	<b>b</b> Less: direct expenses other than fundraising expenses	9b		
	<b>c</b> Net income or (loss) from special events. Subtract line 9b from line 9a	9c		232,800
Revenue	<b>10a</b> Gross sales of inventory, less returns and allowances	10a		
	<b>b</b> Less: cost of goods sold	10b		
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c		
	<b>11</b> Other revenue (from Part VII, line 103)	11		
	<b>12</b> Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		1,839,362
Expenses	<b>13</b> Program services (from line 44, column (B))	13		1,442,934
	<b>14</b> Management and general (from line 44, column (C))	14		96,993
	<b>15</b> Fundraising (from line 44, column (D))	15		257,624
	<b>16</b> Payments to affiliates (attach schedule)	16		
	<b>17</b> Total expenses. Add lines 16 and 44, column (A)	17		1,797,551
Net Assets	<b>18</b> Excess or (deficit) for the year. Subtract line 17 from line 12	18		41,811
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	19		786,180
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	20	SEE STATEMENT 2	-548
	<b>21</b> Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		827,443

**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b>	Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
<b>22b</b>	Other grants and allocations (attach schedule) <b>STMT 3</b> (cash \$ <b>1,048,956</b> non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>1,048,956</b>	<b>1,048,956</b>		
<b>23</b>	Specific assistance to individuals (attach schedule)				
<b>24</b>	Benefits paid to or for members (attach schedule)				
<b>25a</b>	Compensation of current officers, directors, key employees, etc. listed in Part V-A <b>SEE STATEMENT 4</b>	<b>126,846</b>	<b>66,438</b>	<b>14,276</b>	<b>46,132</b>
<b>25b</b>	Compensation of former officers, directors, key employees, etc. listed in Part V-B				
<b>25c</b>	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>26</b>	Salaries and wages of employees not included on lines 25a, b, and c	<b>194,772</b>	<b>107,627</b>	<b>23,129</b>	<b>64,016</b>
<b>27</b>	Pension plan contributions not included on lines 25a, b, and c	<b>13,792</b>	<b>6,000</b>	<b>2,632</b>	<b>5,160</b>
<b>28</b>	Employee benefits not included on lines 25a - 27	<b>52,631</b>	<b>28,078</b>	<b>6,376</b>	<b>18,177</b>
<b>29</b>	Payroll taxes	<b>24,548</b>	<b>13,286</b>	<b>2,855</b>	<b>8,407</b>
<b>30</b>	Professional fundraising fees				
<b>31</b>	Accounting fees	<b>10,190</b>		<b>10,190</b>	
<b>32</b>	Legal fees				
<b>33</b>	Supplies	<b>12,043</b>	<b>6,518</b>	<b>1,401</b>	<b>4,124</b>
<b>34</b>	Telephone	<b>7,409</b>	<b>4,010</b>	<b>862</b>	<b>2,537</b>
<b>35</b>	Postage and shipping	<b>5,463</b>	<b>2,957</b>	<b>635</b>	<b>1,871</b>
<b>36</b>	Occupancy	<b>83,852</b>	<b>45,382</b>	<b>9,752</b>	<b>28,718</b>
<b>37</b>	Equipment rental and maintenance	<b>10,058</b>	<b>1,815</b>	<b>533</b>	<b>7,710</b>
<b>38</b>	Printing and publications	<b>2,621</b>	<b>1,418</b>	<b>305</b>	<b>898</b>
<b>39</b>	Travel	<b>7,195</b>	<b>2,761</b>	<b>4,124</b>	<b>310</b>
<b>40</b>	Conferences, conventions, and meetings				
<b>41</b>	Interest				
<b>42</b>	Depreciation, depletion, etc. (attach schedule)	<b>13,300</b>	<b>7,198</b>	<b>1,547</b>	<b>4,555</b>
<b>43a</b>	Other expenses not covered above (itemize): <b>SEE STATEMENT 5</b>	<b>183,875</b>	<b>100,490</b>	<b>18,376</b>	<b>65,009</b>
<b>43b</b>					
<b>43c</b>					
<b>43d</b>					
<b>43e</b>					
<b>43f</b>					
<b>43g</b>					
<b>44</b>	<b>Total functional expenses.</b> Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	<b>1,797,551</b>	<b>1,442,934</b>	<b>96,993</b>	<b>257,624</b>

**Joint Costs.** Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_ ; (ii) the amount allocated to Program services \$ \_\_\_\_\_ ;

(iii) the amount allocated to Management and general \$ \_\_\_\_\_ ; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose?

**u SEE SCHEDULE 2**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

**Program Service Expenses**  
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

**a SEE SCHEDULE 2**

(Grants and allocations \$ ) If this amount includes foreign grants, check here **u**

**1,442,934**

**b**

(Grants and allocations \$ ) If this amount includes foreign grants, check here **u**

**c**

(Grants and allocations \$ ) If this amount includes foreign grants, check here **u**

**d**

(Grants and allocations \$ ) If this amount includes foreign grants, check here **u**

**e Other program services (attach schedule)**

(Grants and allocations \$ ) If this amount includes foreign grants, check here **u**

**f Total of Program Service Expenses** (should equal line 44, column (B), Program services)

**u 1,442,934**

**Part IV Balance Sheets** (See the instructions.)

<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year		(B) End of year
<b>Assets</b>	45 Cash—non-interest-bearing .....		45	
	46 Savings and temporary cash investments .....	721,746	46	743,522
	47a Accounts receivable .....	10,738		
	b Less: allowance for doubtful accounts .....		2,771	47c
	47b .....			10,738
	48a Pledges receivable .....	176,686		
	b Less: allowance for doubtful accounts .....		141,684	48c
	48b .....	30,000		146,686
	49 Grants receivable .....			49
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule) .....			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att. schedule) .....			50b
	51a Other notes and loans receivable (attach schedule) .....			
	b Less: allowance for doubtful accounts .....			51c
	51b .....			
	52 Inventories for sale or use .....		6,625	52
	53 Prepaid expenses and deferred charges .....		7,771	53
	54a Investments—publicly-traded securities .....	u <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a
	b Investments—other securities (attach schedule) .....	u <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b
	55a Investments—land, buildings, and equipment: basis .....			
b Less: accumulated depreciation (attach schedule) .....			55c	
55b .....				
56 Investments—other (attach schedule) .....	SEE STMT 6	12,583	56	
57a Land, buildings, and equipment: basis .....	99,908			
b Less: accumulated depreciation (attach schedule) .....	SEE STATEMENT 7	46,356	57c	
57b .....	69,128		30,780	
58 Other assets, including program-related investments (describe u .....			58	
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58 .....		939,536	59	
			1,025,247	
<b>Liabilities</b>	60 Accounts payable and accrued expenses .....	103,840	60	133,977
	61 Grants payable .....		61	
	62 Deferred revenue .....	SEE STATEMENT 8	18,873	62
	63 Loans from officers, directors, trustees, and key employees (attach schedule) .....			63
	64a Tax-exempt bond liabilities (attach schedule) .....			64a
	b Mortgages and other notes payable (attach schedule) .....			64b
	65 Other liabilities (describe u SEE STATEMENT 9 .....		30,643	65
			24,906	
66 <b>Total liabilities.</b> Add lines 60 through 65 .....		153,356	66	
			197,804	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here u <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.</b>			
	67 Unrestricted .....	194,188	67	183,727
	68 Temporarily restricted .....	333,375	68	383,440
	69 Permanently restricted .....	258,617	69	260,276
	<b>Organizations that do not follow SFAS 117, check here u <input type="checkbox"/> and complete lines 70 through 74.</b>			
	70 Capital stock, trust principal, or current funds .....		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund .....		71	
	72 Retained earnings, endowment, accumulated income, or other funds .....		72	
	73 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) .....		786,180	73
				827,443
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 .....		939,536	74	
			1,025,247	





Part VI Other Information (continued)		Yes	No
<b>82a</b>	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		<b>X</b>
<b>b</b>	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
<b>82b</b>			
<b>83a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>X</b>	
<b>b</b>	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		<b>N/A</b>
<b>84a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?		<b>X</b>
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		<b>N/A</b>
<b>85a</b>	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		<b>N/A</b>
<b>b</b>	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		<b>N/A</b>
<b>c</b>	Dues, assessments, and similar amounts from members		
<b>d</b>	Section 162(e) lobbying and political expenditures		
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		<b>N/A</b>
<b>h</b>	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		<b>N/A</b>
<b>86</b>	501(c)(7) orgs. Enter: <b>a</b> Initiation fees and capital contributions included on line 12		
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities		
<b>87</b>	501(c)(12) orgs. Enter: <b>a</b> Gross income from members or shareholders		
<b>b</b>	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>88a</b>	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		<b>X</b>
<b>b</b>	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		<b>u</b>
<b>89a</b>	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <b>u</b> <u>0</u> ; section 4912 <b>u</b> <u>0</u> ; section 4955 <b>u</b> <u>0</u>		
<b>b</b>	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		<b>X</b>
<b>c</b>	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	<b>u</b>	<u>0</u>
<b>d</b>	Enter: Amount of tax on line 89c, above, reimbursed by the organization	<b>u</b>	<u>0</u>
<b>e</b>	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		<b>X</b>
<b>f</b>	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		<b>X</b>
<b>g</b>	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		<b>X</b>
<b>90a</b>	List the states with which a copy of this return is filed <b>u</b> <b>NONE</b>		
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	<b>90b</b>	<b>8</b>
<b>91a</b>	The books are in care of <b>u</b> <b>CINDY BOTTS</b> <b>336 FAYETTEVILLE STREET MALL</b> Located at <b>u</b> <b>RALEIGH, NC</b>	Telephone no. <b>u</b> <b>919-839-1498</b>	ZIP + 4 <b>u</b> <b>27601</b>
<b>b</b>	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)?		<b>X</b>
	If " Yes," enter the name of the foreign country <b>u</b>		
	See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1</b> , Report of Foreign Bank and Financial Accounts.		

**Part VI Other Information (continued)**

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c  Yes  No  
 If "Yes," enter the name of the foreign country **u** \_\_\_\_\_

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here  **u**   
 and enter the amount of tax-exempt interest received or accrued during the tax year 92

**Part VII Analysis of Income-Producing Activities (See the instructions.)**

**Note:** Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a <b>ARTISTS IN SCHOOLS</b>					<b>287,863</b>
b <b>MISCELLANEOUS PROGRAMS</b>					<b>60,580</b>
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			<b>14</b>	<b>23,033</b>	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					<b>-4,329</b>
101 Net income or (loss) from special events					<b>232,800</b>
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		<b>0</b>		<b>23,033</b>	<b>576,914</b>
105 <b>Total</b> (add line 104, columns (B), (D), and (E))					<b>599,947</b>

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)**

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
9	<b>SEE STATEMENT 13</b>

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)**

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
<b>N/A</b>	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)**

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

**Note:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

**Part XI Information Regarding Transfers To and From Controlled Entities.** Complete only if the organization is a controlling organization as defined in section 512(b)(13).

<b>106</b> Did the reporting organization <b>make</b> any transfers <b>to</b> a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.	Yes	No
		<b>X</b>

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a	.....			
b	.....			
c	.....			
<b>Totals</b>				

<b>107</b> Did the reporting organization <b>receive</b> any transfers <b>from</b> a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.	Yes	No
		<b>X</b>

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a	.....			
b	.....			
c	.....			
<b>Totals</b>				

<b>108</b> Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?	Yes	No

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.

<b>Please Sign Here</b>	Signature of officer <b>ELEANOR H JORDAN</b>	Date <b>PRESIDENT &amp; CEO</b>
	Type or print name and title	

<b>Paid Preparer's Use Only</b>	Preparer's signature _____	Date _____	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Instr. X) <b>340-46-8858</b>
	Firm's name (or yours if self-employed), address, and ZIP + 4 <b>ROMEO, WIGGINS &amp; COMPANY, LLP</b> <b>110 IOWA LN STE 104</b> <b>CARY, NC 27511</b>	EIN <b>u 56-1627242</b>	Phone no. <b>u 919-467-2050</b>	



<b>Part III Statements About Activities</b> (See page 2 of the instructions.)		Yes	No
<b>1</b>	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>0</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	<b>X</b>	
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
<b>2</b>	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
<b>a</b>	Sale, exchange, or leasing of property?		<b>X</b>
<b>b</b>	Lending of money or other extension of credit?		<b>X</b>
<b>c</b>	Furnishing of goods, services, or facilities?		<b>X</b>
<b>d</b>	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <b>SEE PART V-A, FORM 990 SEE STATEMENT 14</b>	<b>X</b>	
<b>e</b>	Transfer of any part of its income or assets?		<b>X</b>
<b>3a</b>	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) <b>SEE STATEMENT 15</b>	<b>X</b>	
<b>b</b>	Did the organization have a section 403(b) annuity plan for its employees?	<b>X</b>	
<b>c</b>	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		<b>X</b>
<b>d</b>	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		<b>X</b>
<b>4a</b>	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		<b>X</b>
<b>b</b>	Did the organization make any taxable distributions under section 4966?		
<b>c</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>d</b>	Enter the total number of donor advised funds owned at the end of the tax year <b>u</b> _____		
<b>e</b>	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year <b>u</b> _____		
<b>f</b>	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts <b>u</b> _____		<b>0</b>
<b>g</b>	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year <b>u</b> _____		<b>0</b>

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ► .....
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12  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 charitable, etc., 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
  - Type I
  - Type II
  - Type III-Functionally Integrated
  - Type III-Other

**Provide the following information about the supported organizations.** (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b> .....					<b>u</b>

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,475,410	1,327,074	1,032,283	1,252,597	5,087,364
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	271,409	105,841	20,793	13,648	411,691
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	25,001	19,709	16,096	12,049	72,855
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets <b>STMT 16</b>	1,974	100	1,144		3,218
23 Total of lines 15 through 22	1,773,794	1,452,724	1,070,316	1,278,294	5,575,128
24 Line 23 minus line 17	1,502,385	1,346,883	1,049,523	1,264,646	5,163,437
25 Enter 1% of line 23	17,738	14,527	10,703	12,783	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	103,269
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	5,163,437
d Add: Amounts from column (e) for lines: 18 <u>72,855</u> 19 _____	26d	76,073
22 <u>3,218</u> 26b _____	26e	5,087,364
e Public support (line 26c minus line 26d total)	26e	5,087,364
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	98.5267%

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____	N/A	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____	N/A	
c Add: Amounts from column (e) for lines: 15 _____ 16 _____	27c	
17 _____ 20 _____ 21 _____	27d	
d Add: Line 27a total _____ and line 27b total _____	27e	
e Public support (line 27c total minus line 27d total)	27e	
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)	27f	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**Part V Private School Questionnaire** (See page 9 of the instructions.)

**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? .....	31		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) ..... ..... .....			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff? .....	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions? .....	32d		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ..... .....			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges? .....	33a		
b	Admissions policies? .....	33b		
c	Employment of faculty or administrative staff? .....	33c		
d	Scholarships or other financial assistance? .....	33d		
e	Educational policies? .....	33e		
f	Use of facilities? .....	33f		
g	Athletic programs? .....	33g		
h	Other extracurricular activities? .....	33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ..... .....			
34a	Does the organization receive any financial aid or assistance from a governmental agency? .....	34a		
b	Has the organization's right to such aid ever been revoked or suspended? .....	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation .....	35		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 of the instructions.)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**

Check  **a** if the organization belongs to an affiliated group. Check  **b** if you checked "a" and "limited control" provisions apply.

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for all electing organizations
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying) .....	<b>36</b>	
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying) .....	<b>37</b>	
<b>38</b> Total lobbying expenditures (add lines 36 and 37) .....	<b>38</b>	
<b>39</b> Other exempt purpose expenditures .....	<b>39</b>	
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39) .....	<b>40</b>	
<b>41</b> Lobbying nontaxable amount. Enter the amount from the following table-		
<b>If the amount on line 40 is-</b>		
Not over \$500,000 .....	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000 .....	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000 .....	\$175,000 plus 10% of the excess over \$1,000,000	
Over \$1,500,000 but not over \$17,000,000 .....	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000 .....	\$1,000,000	
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41) .....	<b>42</b>	
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 .....	<b>43</b>	
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 .....	<b>44</b>	

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
<b>45</b> Lobbying nontaxable amount .....					
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) .....					
<b>47</b> Total lobbying expenditures .....					
<b>48</b> Grassroots nontaxable amount .....					
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) .....					
<b>50</b> Grassroots lobbying expenditures .....					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
<b>a</b> Volunteers .....		<b>X</b>	
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.) .....		<b>X</b>	
<b>c</b> Media advertisements .....		<b>X</b>	
<b>d</b> Mailings to members, legislators, or the public .....		<b>X</b>	
<b>e</b> Publications, or published or broadcast statements .....		<b>X</b>	
<b>f</b> Grants to other organizations for lobbying purposes .....		<b>X</b>	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body .....		<b>X</b>	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means .....		<b>X</b>	
<b>i</b> Total lobbying expenditures (Add lines c through h.) .....			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.



**Schedule B**  
**(Form 990, 990-EZ,**  
**or 990-PF)**  
Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

OMB No. 1545-0047

Supplementary Information for  
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

**2007**

<b>Name of organization</b> <b>UNITED ARTS COUNCIL OF RALEIGH AND</b> <b>WAKE COUNTY INC</b>	<b>Employer identification number</b> <b>56-0770175</b>
--	--

**Organization type** (check one):

**Filers of:**

**Section:**

Form 990 or 990-EZ

- 501(c)( **3** ) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule—see instructions.)

**General Rule—**

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules—**

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ..... ► \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

Name of organization <b>UNITED ARTS COUNCIL OF RALEIGH AND</b>	Employer identification number <b>56-0770175</b>
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**Part I Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<p><u>WAKE COUNTY GOVERNMENT</u></p> <hr/> <p><u>RALEIGH NC</u></p>	<p>\$ <u>409,964</u></p>	<p>Person <input checked="" type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input checked="" type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>
2	<p><u>NORTH CAROLINA ARTS COUNCIL</u></p> <p><u>109 EAST JONES STREET</u></p> <hr/> <p><u>RALEIGH NC 27601</u></p>	<p>\$ <u>225,404</u></p>	<p>Person <input checked="" type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>
3	<p><u>GLAXOSMITHKLINE</u></p> <p><u>FIVE MOORE DRIVE</u></p> <hr/> <p><u>RESEARCH TRIANGLE PARK NC 27709</u></p>	<p>\$ <u>25,000</u></p>	<p>Person <input checked="" type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>
4	<p><u>FIDELITY FOUNDATION</u></p> <p><u>5411 PAGE ROAD</u></p> <p><u>NCD1B</u></p> <p><u>DURHAM NC 27703</u></p>	<p>\$ <u>75,000</u></p>	<p>Person <input checked="" type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>
—	<p>_____</p> <p>_____</p> <p>_____</p>	<p>\$ _____</p>	<p>Person <input type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>
—	<p>_____</p> <p>_____</p> <p>_____</p>	<p>\$ _____</p>	<p>Person <input type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution.)</p>

Name of organization <b>UNITED ARTS COUNCIL OF RALEIGH AND</b>	Employer identification number <b>56-0770175</b>
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**Part II Noncash Property** (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
<u>1</u>	<u>RENT - JANUARY THROUGH AUGUST</u> <u>@ \$7,495.50 PER MONTH</u>  <hr/> <hr/>	\$ <u>59,964</u>	<hr/>
<hr/>	<hr/> <hr/> <hr/>	\$ <hr/>	<hr/>
<hr/>	<hr/> <hr/> <hr/>	\$ <hr/>	<hr/>
<hr/>	<hr/> <hr/> <hr/>	\$ <hr/>	<hr/>
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<hr/>	<hr/> <hr/> <hr/>	\$ <hr/>	<hr/>

Form **4562**  
Department of the Treasury  
Internal Revenue Service

**Depreciation and Amortization**  
**(Including Information on Listed Property)**

OMB No. 1545-0172

**2007**

Attachment  
Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return <b>UNITED ARTS COUNCIL OF RALEIGH AND WAKE COUNTY INC</b>	Identifying number <b>56-0770175</b>
--	---

Business or activity to which this form relates

**INDIRECT DEPRECIATION**

**Part I Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See the instructions for a higher limit for certain businesses .....	1	<b>125,000</b>
2 Total cost of section 179 property placed in service (see instructions) .....	2	
3 Threshold cost of section 179 property before reduction in limitation .....	3	<b>500,000</b>
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- .....	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions .....	5	
<b>(a) Description of property (b) Cost (business use only) (c) Elected cost</b>		
6		
7 Listed property. Enter the amount from line 29 .....	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 .....	8	
9 Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8 .....	9	
10 Carryover of disallowed deduction from line 13 of your 2006 Form 4562 .....	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) .....	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 .....	12	
13 Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12 .....	13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions) .....	14	
15 Property subject to section 168(f)(1) election .....	15	
16 Other depreciation (including ACRS) .....	16	<b>11,298</b>

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2007 .....	17	<b>2,002</b>
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/> .....		

**Section B-Assets Placed in Service During 2007 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

**Section C-Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part IV Summary (see instructions)**

21 Listed property. Enter amount from line 28 .....	21	
22 <b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr. ....	22	<b>13,300</b>
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs .....	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2007)



**Federal Statements****Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other**

<u>Desc</u>		<u>Date</u>	<u>Date</u>	<u>Sale</u>	<u>Cost &amp;</u>	<u>Depr</u>	<u>Gain/</u>
<u>How</u>	<u>Whom</u>	<u>Acquired</u>	<u>Sold</u>	<u>Price</u>	<u>Expense</u>		<u>-Loss</u>
<u>Rec'd</u>	<u>Sold</u>						
ARCHITECTURAL PLANS - STORE							
PURCHASE		6/30/00	6/30/08	\$	\$ 2,500	\$ 700	\$ -1,800
DSL CABLING							
PURCHASE		12/15/00	6/30/08		2,160	605	-1,555
CATS CABLING PROJECT							
PURCHASE		12/15/00	6/30/08		1,352	378	-974
TOTAL				\$	0	\$ 1,683	\$ -4,329

**Federal Statements****Statement 2 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances**

<u>Description</u>	<u>Amount</u>
UNREALIZED LOSS ON INVESTMENTS	\$ <u>-548</u>
TOTAL	\$ <u><u>-548</u></u>

**Federal Statements**

**Statement 3 - Form 990, Part II, Line 22b - Other Grants and Allocations**

Name Address	Relationship to Org	Class of Activity	Date of Gift	Description of Property	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
SEE ATTACHED SCHEDULE 1									
					\$ 1,048,956	\$	\$		
TOTAL					\$ 1,048,956	\$ 0	\$ 0		

**Statement 4 - Form 990, Part II, Line 25a - Compensation of Current Officers**

Name	Program Services	Management & General	Fundraising
EXPENSES	\$	\$	\$
OFFICER COMPENSATION	66,438	14,276	46,132
COMPENSATION			
TOTAL	\$ 66,438	\$ 14,276	\$ 46,132

**Federal Statements****Statement 5 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
EXPENSES	\$	\$	\$	\$
INVESTMENT DEPRECIATION				
FUND RAISING EXPENSES:				
SPECIAL EVENTS	74,742	56,056		18,686
CAMPAIGN EXPENSES	21,561	70		21,491
UNCOLLECTIBLE PLEDGES	10,284	9,256		1,028
OTHER PERSONNEL EXPENSES:				
TEMPORARY HELP	7,081	333		6,748
PARKING	5,119	2,771	595	1,753
ADMINISTRATIVE FEES	1,200	649	140	411
ADMINISTRATION EXPENSES:				
BANK CHARGES	6,261	3,762	2,033	466
STAFF TRAINING	2,952	875	1,819	258
DUES & SUBSCRIPTIONS	6,611	604	5,422	585
ADMINSITRATIVE FEES				
GENERAL INSURANCE	4,560	2,468	530	1,562
CONTRACTED SERVICES	9,288	5,027	1,080	3,181
FACILITY EXPENSE	5,341	2,891	621	1,829
HOSPITALITY	6,428	1,361	4,370	697
PROMOTION	2,865	280	140	2,445
WEBSITE	8,980	4,860	1,044	3,076
MISCELLANEOUS	10,602	9,227	582	793
TOTAL	\$ 183,875	\$ 100,490	\$ 18,376	\$ 65,009

**Federal Statements****Statement 6 - Form 990, Part IV, Line 56 - Other Investments**

Description	Beginning of Year	End of Year	Basis of Valuation
SECURITIES	\$ 12,583	\$ 12,036	MARKET
TOTAL	<u>\$ 12,583</u>	<u>\$ 12,036</u>	

**Statement 7 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment**

Description	Beginning of Year	Accum Depr	End of Year	Accum Depr
PROPERTY & EQUIPMENT	\$ 103,868	\$ 57,512	\$ 99,908	\$ 69,128
TOTAL	<u>\$ 103,868</u>	<u>\$ 57,512</u>	<u>\$ 99,908</u>	<u>\$ 69,128</u>

**Statement 8 - Form 990, Part IV, Line 62 - Deferred Revenue**

Description	Beginning of Year	End of Year
DEFERRED REVENUE	\$ 18,873	\$ 38,921
TOTAL	<u>\$ 18,873</u>	<u>\$ 38,921</u>

**Statement 9 - Form 990, Part IV, Line 65 - Other Liabilities**

Description	Beginning of Year	End of Year
CAPITAL LEASE OBLIGATION	\$ 30,643	\$ 24,906
TOTAL	<u>\$ 30,643</u>	<u>\$ 24,906</u>

**Federal Statements****Statement 10 - Form 990, Part IV-A - Other Revenue Included on Financial Statements**

Description	Amount
UNREALIZED LOSSES ON INVESTMENTS	\$ -548
TOTAL	\$ <u>-548</u>

**Statement 11 - Form 990, Part IV-A - Other Revenue Included on Return**

Description	Amount
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	\$ -4,329
TOTAL	\$ <u>-4,329</u>

**Statement 12 - Form 990, Part IV-B - Other Expenses included on Financial Statements**

Description	Amount
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	\$ 4,329
TOTAL	\$ <u>4,329</u>

**Federal Statements****Statement 13 - Form 990, Part VIII - Relationship of Activities**

<u>Line No.</u>	<u>Description</u>
93A	REVENUE GENERATED FOR THE ARTS IN EDUCATION PROGRAMS IS USED TO PROMOTE AWARENESS AND APPRECIATION OF THE ARTS IN WAKE COUNTY THROUGH PROGRAMS AND WORKSHOPS
101	VARIOUS FUNDRAISING EVENTS PROVIDE FUNDS TO ASSIST THE COUNCIL IN ACCOMPLISHING ITS MISSION AS WELL AS ASSISTING IN PROMOTING ART AWARENESS AND APPRECIATION IN WAKE COUNTY
103A	VARIOUS FUNDS RECEIVED USED TO PROMOTE ART AWARENESS IN WAKE COUNTY

**Federal Statements**

**Statement 14 - Schedule A, Part III, Line 2d - Payment of Compensation / Reimbursement of Exp**

Description

YES

**Statement 15 - Schedule A, Part III, Line 3a - Explanation of Grant/Loan Qualifications**

Description

ORGANIZATIONS RECEIVING GRANTS FROM THE COUNCIL ARE CAREFULLY EVALUATED TO DETERMINE THEIR ABILITY TO OFFER QUALITY ARTISTIC PROGRAMS. ORGANIZATIONS MUST DEMONSTRATE STRONG FISCAL AND ADMINISTRATIVE MANAGEMENT AND PROVIDE QUALITY SERVICE TO THE GENERAL PUBLIC.

**Federal Statements**

**Statement 16 - Schedule A, Part IV-A, Line 22 - Other Income**

Description	2006	2005	2004	2003
MISCELLANEOUS INCOME	\$ 1,974	\$ 100	\$ 1,144	\$
TOTAL	<u>\$ 1,974</u>	<u>\$ 100</u>	<u>\$ 1,144</u>	<u>\$ 0</u>