

**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)

**2007**

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

**A For the 2007 calendar year, or tax year beginning** , 2007, and ending

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Termination  
 Amended return  
 Application pending

**C Name of organization**  
 DALLAS CENTER FOR CONTEMPORARY ART  
 Number and street (or P O box if mail is not delivered to street addr) Room/suite  
 2801 SWISS AVENUE  
 City, town or country State ZIP code + 4  
 DALLAS TX 75204

**D Employer Identification Number**  
 75-1575687

**E Telephone number**  
 (214) 821-2522

**F Accounting method**  
 Cash  Accrual  
 Other (specify)

**G Web site:** N/A

**J Organization type** (check only one)  
 501(c) 3 (insert no)  4947(a)(1) or  527

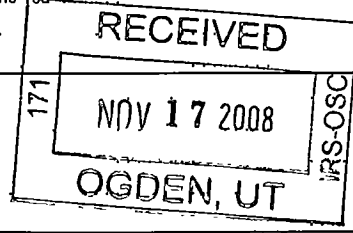
**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L Gross receipts:** Add lines 6b, 8b, 9b, and 10b to line 12 **3,128,073.**

**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  
**H (c)** Are all affiliates included? (If 'No,' attach a list See instructions)  Yes  No  
**H (d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Group Exemption Number **N/A**  
**M** Check  if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

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

1	Contributions, gifts, grants, and similar amounts received				
a	Contributions to donor advised funds	1a			
b	Direct public support (not included on line 1a)	1b	2,799,226.		
c	Indirect public support (not included on line 1a)	1c			
d	Government contributions (grants) (not included on line 1a)	1d	23,316.		
e	Total (add lines 1a through 1d) (cash \$ 2,822,542. noncash \$ 0.)	1e		2,822,542.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		10,017.	
3	Membership dues and assessments	3		39,334.	
4	Interest on savings and temporary cash investments	4		2,414.	
5	Dividends and interest from securities	5			
6a	Gross rents	6a	58,148.		
b	Less rental expenses	6b	129,000.		
c	Net rental income or (loss). Subtract line 6b from line 6a	6c		-70,852.	
7	Other investment income (describe )	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b	Less cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss) Combine line 8c, columns (A) and (B)	8c			
8d		8d			
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ of contributions reported on line 1b)	9a	195,618.		
b	Less direct expenses other than fundraising expenses	9b	36,552.		
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c		159,066.	
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10c			
11	Other revenue (from Part VII, line 103)	11			
12	<b>Total revenue.</b> Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		2,962,521.	
13	Program services (from line 44, column (B))	13		472,011.	
14	Management and general (from line 44, column (C))	14		48,769.	
15	Fundraising (from line 44, column (D))	15		154,239.	
16	Payments to affiliates (attach schedule)	16			
17	<b>Total expenses.</b> Add lines 16 and 44, column (A)	17		675,019.	
18	Excess or (deficit) for the year Subtract line 17 from line 12	18		2,287,502.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		184,029.	
20	Other changes in net assets or fund balances (attach explanation)	20		94,000.	
21	Net assets or fund balances at end of year Combine lines 18, 19, and 20	21		2,565,531.	



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EXPENSES  
ASSETS

9-17 3

**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 *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 sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22a</b>			
<b>22b</b> Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22b</b>			
<b>23</b> Specific assistance to individuals (attach schedule)	<b>23</b>			
<b>24</b> Benefits paid to or for members (attach schedule)	<b>24</b>			
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A See L-25a Stmt	<b>25a</b> 82,344.	46,974.	8,517.	26,853.
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B	<b>25b</b>			
<b>c</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>25c</b>			
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	<b>26</b> 172,892.	98,628.	17,883.	56,381.
<b>27</b> Pension plan contributions not included on lines 25a, b, and c	<b>27</b>			
<b>28</b> Employee benefits not included on lines 25a - 27	<b>28</b> 10,093.	4,698.	804.	4,591.
<b>29</b> Payroll taxes	<b>29</b> 21,549.	12,399.	2,242.	6,908.
<b>30</b> Professional fundraising fees	<b>30</b>			
<b>31</b> Accounting fees	<b>31</b>			
<b>32</b> Legal fees	<b>32</b> 56,792.	41,190.	1,389.	14,213.
<b>33</b> Supplies	<b>33</b> 59,251.	35,213.	3,923.	20,115.
<b>34</b> Telephone	<b>34</b> 5,377.	4,830.	547.	0.
<b>35</b> Postage and shipping	<b>35</b> 27,898.	20,625.	1,301.	5,972.
<b>36</b> Occupancy	<b>36</b> 0.	0.	0.	0.
<b>37</b> Equipment rental and maintenance	<b>37</b> 8,771.	7,360.	202.	1,209.
<b>38</b> Printing and publications	<b>38</b>			
<b>39</b> Travel	<b>39</b>			
<b>40</b> Conferences, conventions, and meetings	<b>40</b> 4,944.	4,944.	0.	0.
<b>41</b> Interest	<b>41</b>			
<b>42</b> Depreciation, depletion, etc (attach schedule)	<b>42</b> 2,332.	600.	239.	1,493.
<b>43</b> Other expenses not covered above (itemize)				
<b>a</b> BANK CHARGES	<b>43a</b> 11,485.	7,940.	1,161.	2,384.
<b>b</b> CONTRACT LABOR	<b>43b</b> 31,690.	26,111.	695.	4,884.
<b>c</b> INSURANCE	<b>43c</b> 4,569.	1,482.	2,853.	234.
<b>d</b> DUES & SUBSCRIPTIONS	<b>43d</b> 2,837.	429.	1,315.	1,093.
<b>e</b> RESEARCH	<b>43e</b> 13,015.	7,423.	161.	5,431.
<b>f</b> PHOTOGRAPHY	<b>43f</b> 2,351.	1,118.	0.	1,233.
<b>g</b> See Other Expenses Stmt	<b>43g</b> 156,829.	150,047.	5,537.	1,245.
<b>44</b> Total functional expenses Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	<b>44</b> 675,019.	472,011.	48,769.	154,239.

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 IV Balance Sheets** (See the instructions.)

**Note:** 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
45	Cash – non-interest-bearing	139,568.	45	577,903.
46	Savings and temporary cash investments		46	
47a	Accounts receivable	419.		
b	Less. allowance for doubtful accounts		47c	419.
48a	Pledges receivable	1,325,621.		
b	Less. allowance for doubtful accounts	106,083.	48c	1,219,538.
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) (attach schedule)		50b	
51a	Other notes and loans receivable (attach schedule)			
b	Less allowance for doubtful accounts		51c	
52	Inventories for sale or use		52	
53	Prepaid expenses and deferred charges		53	
54a	Investments – publicly-traded securities		54a	
b	Investments – other securities (attach sch)		54b	
55a	Investments – land, buildings, & equipment basis			
b	Less. accumulated depreciation (attach schedule)		55c	
56	Investments – other (attach schedule)		56	
57a	Land, buildings, and equipment basis	2,884,058.		
b	Less: accumulated depreciation (attach schedule) L-57 Stmt	148,031.	57c	2,736,027.
58	Other assets, including program-related investments (describe ▶ See Line 58 Stmt )	35,000.	58	0.
59	<b>Total assets</b> (must equal line 74). Add lines 45 through 58	189,685.	59	4,533,887.
60	Accounts payable and accrued expenses	5,656.	60	3,356.
61	Grants payable		61	
62	Deferred revenue		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	1,965,000.
65	Other liabilities (describe ▶ )		65	
66	<b>Total liabilities.</b> Add lines 60 through 65	5,656.	66	1,968,356.
<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
67	Unrestricted	174,976.	67	825,494.
68	Temporarily restricted		68	1,730,894.
69	Permanently restricted	9,053.	69	9,143.
<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.				
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)	184,029.	73	2,565,531.
74	<b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73	189,685.	74	4,533,887.

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See the instructions.)

<b>a</b>	Total revenue, gains, and other support per audited financial statements		<b>a</b>	3,414,698.
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 12:			
	1 Net unrealized gains on investments	<b>b1</b>		
	2 Donated services and use of facilities	<b>b2</b>	323,177.	
	3 Recoveries of prior year grants	<b>b3</b>		
	4 Other (specify): <u>DEPRECIATION AND CAPITALIZED INTEREST RECLASSIFIED TO UNRELATED BUSINESS INCOME</u>	<b>b4</b>	129,000.	
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	452,177.
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	2,962,521.
<b>d</b>	Amounts included on Part I, line 12, but not on line <b>a</b> :			
	1 Investment expenses not included on Part I, line 6b	<b>d1</b>		
	2 Other (specify): _____	<b>d2</b>		
	Add lines <b>d1</b> and <b>d2</b> .		<b>d</b>	
<b>e</b>	<b>Total revenue</b> (Part I, line 12). Add lines <b>c</b> and <b>d</b>		<b>e</b>	2,962,521.

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

<b>a</b>	Total expenses and losses per audited financial statements		<b>a</b>	1,033,196.
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 17:			
	1 Donated services and use of facilities	<b>b1</b>	323,177.	
	2 Prior year adjustments reported on Part I, line 20	<b>b2</b>		
	3 Losses reported on Part I, line 20	<b>b3</b>		
	4 Other (specify) <u>DEPRECIATION ON UNRELATED BUSINESS INCOME MOVED TO INCOME</u>	<b>b4</b>	35,000.	
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	358,177.
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	675,019.
<b>d</b>	Amounts included on Part I, line 17, but not on line <b>a</b> :			
	1 Investment expenses not included on Part I, line 6b	<b>d1</b>		
	2 Other (specify): _____	<b>d2</b>		
	Add lines <b>d1</b> and <b>d2</b> .		<b>d</b>	
<b>e</b>	<b>Total expenses</b> (Part I, line 17). Add lines <b>c</b> and <b>d</b>		<b>e</b>	675,019.

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
<u>JOAN DAVIDOW</u> <u>2801 SWISS AVENUE</u> <u>DALLAS, TX 75204</u>	EXECUTIVE DIRECTOR 40.00	82,344.	0.	0.
<u>DEBORAH ARMSTRONG</u> <u>3843 PROVINCE DRIVE</u> <u>CARROLLTON, TX 75007</u>	BOARD MEMBER 2.00	0.	0.	0.
<u>CATHERINE BASHARKHAH</u> <u>2520 FAIRMONT</u> <u>DALLAS, TX 75201</u>	BOARD MEMBER 2.00	0.	0.	0.
<u>SAM BASHARKHAH</u> <u>2520 FAIRMONT</u> <u>DALLAS, TX 75201</u>	BOARD MEMBER 2.00	0.	0.	0.
<u>BARBARA BUZZELL</u> <u>4514 COLE AVE, STE 420</u> <u>DALLAS, TX 75205</u>	BOARD MEMBER 2.00	0.	0.	0.
See List of Officers, Directors, Trustees, & Key Employees Statement				

**Part VI Other Information (continued)** Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91 c**  Yes  No

If 'Yes,' enter the name of the foreign country

**92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041** - Check here  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	
<b>93</b> Program service revenue:					
<b>a</b> EDUCATIONAL PROGRAMS					6,064.
<b>b</b> ART SALES					3,953.
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>f</b> Medicare/Medicaid payments					
<b>g</b> Fees & contracts from government agencies					
<b>94</b> Membership dues and assessments					39,334.
<b>95</b> Interest on savings & temporary cash invmnts			14	2,414.	
<b>96</b> Dividends & interest from securities					
<b>97</b> Net rental income or (loss) from real estate:					
<b>a</b> debt-financed property					
<b>b</b> not debt-financed property	531120	-79,600.			8,748.
<b>98</b> Net rental income or (loss) from pers prop					
<b>99</b> Other investment income					
<b>100</b> Gain or (loss) from sales of assets other than inventory					
<b>101</b> Net income or (loss) from special events					156,066.
<b>102</b> Gross profit or (loss) from sales of inventory					
<b>103</b> Other revenue. <b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>104</b> Subtotal (add columns (B), (D), and (E))		-79,600.		2,414.	214,165.
<b>105 Total</b> (add line 104, columns (B), (D), and (E))					136,979.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

**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).
93A	PROVIDE RESOURCES FOR TEACHERS AND STUDENTS IN 48 SCHOOLS
93B	SALES OF ART ENHANCE AWARENESS OF LOCAL ARTISTS AND ORGANIZATION
94	MEMBERS ENHANCE AWARENESS AND PROMOTE IMAGE OF ORGANIZATION
	See Relationship of Activities to the Accomplishment of Exempt Purposes Statement

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

(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
	%			
	%			
	%			
	%			

**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).

N/A

Yes	No

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

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

Yes	No

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

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

Yes	No

108 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?

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.

**Please Sign Here**

Signature of officer: *Joan Davidow*  
 Date: 11.7.08  
 Type or print name and title: JOAN DAVIDOW

**Paid Preparer's Use Only**

Preparer's signature: *The Hall Group, CPAs*  
 Date: 1/1  
 Check if:   
 Firm's name (or yours if self-employed), address, and ZIP + 4: THE HALL GROUP, CPAS  
 100 CRESCENT COURT SUITE 700  
 DALLAS

BAA

TEEA0110

**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 STATEMENT ATTACHED</u> 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) organizations and 4947(a)(1) trusts, but optional for others.)
a <u>EXHIBITIONS: PROVIDE THE COMMUNITY WITH AN OPPORTUNITY TO SEE AN ARTIST'S CREATIVE VISION AT AN IMPORTANT JUNCTURE IN THEIR DEVELOPMENT. APPROXIMATELY 21,000 VISITORS ATTEND THE 14 ANNUAL EXHIBITIONS.</u> (Grants and allocations \$ 0. ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	67,250.
b <u>ART THINK: EDUCATIONAL PROGRAM FOR ELEMENTARY AND HIGH SCHOOL STUDENTS TO BUILD SKILLS USEFUL TO BROADER STUDENT ACHIEVEMENT AND PROVIDE SUPPORT TO TEACHERS WHO ADOPT ART THINK AS A RESOURCE FOR THEMSELVES AND THEIR STUDENTS. ART THINK SERVED 5,236 STUDENTS AND 48 SCHOOLS AND YOUTH GROUPS.</u> (Grants and allocations \$ 0. ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	89,200.
c <u>MEMBERSHIP: THE MEMBERS REPRESENT YOUNG, AFFLUENT PROFESSIONALS WHO EXPRESS A POSITIVE VIEW OF THE ORGANIZATION, IDENTIFY STRONGLY WITH ITS MISSION, AND ARE PREPARED TO BECOME MORE ACTIVE IN THE ORGANIZATION. THE MEMBERSHIP PROGRAM IS ALSO IMPORTANT TO THE LONG-TERM FINANCIAL VITALITY. 600 MEMBERS</u> (Grants and allocations \$ 0. ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	30,600.
d <u>CAMPAIGN FOR PERMANENT HEADQUARTERS: CAPITAL CAMPAIGN TO UNDERWRITE THE ACQUISITION AND RENOVATION OF THE BUILDING, AND TO CREATE AN ENDOWMENT FOR THE ORGANIZATION'S PROGRAMS, PRINCIPALLY EDUCATION. LAYS THE GROUNDWORK FOR MORE SUSTAINED DEVELOPMENT AND MARKETING PROGRAMS, WHICH ARE CRITICAL FOR THE FUTURE.</u> (Grants and allocations \$ 0. ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	284,961.
e Other program services (Grants and allocations \$ ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) ▶	<b>472,011.</b>

BAA