

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)

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 2008 calendar year, or tax year beginning and ending

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.	C Name of organization NORTHERN CLAY CENTER Doing Business As		D Employer identification number 41-1616650
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2424 FRANKLIN AVENUE EAST		E Telephone number (612) 339-8007
		City or town, state or country, and ZIP + 4 MINNEAPOLIS, MN 55406		G Gross receipts \$ 1,695,639.
		F Name and address of principal officer: EMILY GALUSHA 2424 FRANKLIN AVENUE E, MINNEAPOLIS, MN 554		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: ▶ NORTHERNCLAYCENTER.ORG				
K Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1988	
M State of legal domicile: MN				

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>SEE SCHEDULE O</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	16
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	16
	5 Total number of employees (Part V, line 2a)	5	25
	6 Total number of volunteers (estimate if necessary)	6	130
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	-61,732.
b Net unrelated business taxable income from Form 990-T, line 34	7b	-61,732.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	659,354.	1,213,617.
	9 Program service revenue (Part VIII, line 2g)	555,006.	494,270.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	44,783.	34,438.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-33,903.	-53,090.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,225,240.	1,689,235.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	83,000.	99,500.
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	337,383.	373,654.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 32,624.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	628,731.	612,032.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,049,114.	1,085,186.
19 Revenue less expenses. Subtract line 18 from line 12	176,126.	604,049.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Year 2,588,350.	End of Year 3,176,998.
	21 Total liabilities (Part X, line 26)	393,436.	378,035.
	22 Net assets or fund balances. Subtract line 21 from line 20	2,194,914.	2,798,963.

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	Date
	EMILY GALUSHA, EXECUTIVE DIRECTOR Type or print name and title	
Paid Preparer's Use Only	Preparer's signature	Date
	Firm's name (or yours if self-employed), address, and ZIP + 4 RYAN J. TERRY, LTD. 550 MAIN STREET, SUITE 220 ST PAUL, MINNESOTA 55112	Check if self-employed <input type="checkbox"/> Preparer's identifying number (see instructions) EIN ▶ Phone no. ▶ 651-636-3806

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

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission: SEE SCHEDULE O FOR CONTINUATION
SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No
If "Yes", describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No
If "Yes", describe these changes on Schedule O.

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

4a (Code:) (Expenses \$ 448,955. including grants of \$) (Revenue \$ 362,093.)
OUTREACH CLASSES AND WORKSHOPS OFFER EDUCATIONAL OPPORTUNITIES THROUGH PROGRAMS DESIGNED FOR ARTISTS, STUDENTS, TEACHERS, AND THE GENERAL PUBLIC. SERVED OVER 10,000 PEOPLE IN 2008.

4b (Code:) (Expenses \$ 221,999. including grants of \$ 93,500.) (Revenue \$ 91,864.)
ARTIST SUPPORT INCLUDES AFFORDABLE STUDIO SPACE, ACCESS TO SPECIALIZED EQUIPMENT, EDUCATIONAL RESOURCES, EXHIBITION AND SALES OPPORTUNITIES, AND INDIVIDUAL GRANTS AND A COMMUNICATIONS NETWORK. SERVED 239 PEOPLE IN 2008.

4c (Code:) (Expenses \$ 216,920. including grants of \$) (Revenue \$ 48,955.)
EXHIBITIONS PROMOTE PUBLIC APPRECIATION AND UNDERSTANDING OF THE CERAMIC ARTS THROUGH EXHIBITIONS OF REGIONAL AND NATIONAL ARTISTS' WORK. THERE WERE APPROXIMATELY 55,000 VISITS TO THE CENTER'S EXHIBITIONS FROM THE PUBLIC DURING 2008.

4d Other program services. (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 887,874. (Must equal Part IX, Line 25, column (B).)

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>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	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>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6	Did the organization maintain any donor advised funds or any accounts where 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>		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>		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>	X	
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? <i>If "Yes," complete Schedule F, Part I</i>	X	
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>	X	
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	X	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>		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 questions 24b-24d and complete Schedule K. If "No," go to question 25</i>		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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>		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		X
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		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>	X	
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		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>		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>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
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>		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>		X

Form 990 (2008)

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	1a	123	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a	25	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
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 the instructions for exceptions and 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 question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Did the organization solicit any contributions that were not tax deductible?		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 provide goods or services in exchange for any quid pro quo contribution of more than \$75?	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, during the year, 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	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Section 501(c)(3) and other 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: N/A		
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: N/A		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year N/A	12b	

Part VII Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Table with 11 rows and 3 columns (1a, 1b, and Yes/No). Rows include questions about voting members, family/business relationships, management delegation, organizational changes, asset diversions, members/stockholders, governing body decisions, meeting documentation, local chapters, Form 990 distribution, and unreachable officers.

Section B. Policies

Table with 12 rows and 3 columns (12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b). Rows include questions about conflict of interest policies, whistleblower policies, document retention, compensation review, joint ventures, and participation in joint ventures.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MN
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:

EMILY GALUSHA - 612-339-8007
2424 FRANKLIN AVENUE EAST, MINNEAPOLIS, MN 55406

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

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• 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 the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(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			
BOB WALSH BOARD MEMBER/CHAIR	1.00	X		X			0.	0.	0.	
PETER KIRIHARA BOARD MEMBER/VICE CHAIR	1.00	X		X			0.	0.	0.	
PAT JACOBSEN BOARD MEMBER/SECRETARY	1.00	X		X			0.	0.	0.	
RICK SCOTT BOARD MEMBER/TREASURER	1.00	X		X			0.	0.	0.	
LYNNE ALPERT BOARD MEMBER	1.00	X					0.	0.	0.	
DAN AVCHEN BOARD MEMBER	1.00	X					0.	0.	0.	
SHELDON CHESTER BOARD MEMBER	1.00	X					0.	0.	0.	
DEBRA COHEN BOARD MEMBER	1.00	X					0.	0.	0.	
PAUL DAGGETT BOARD MEMBER	1.00	X					0.	0.	0.	
NANCY HANILY DOLAN BOARD MEMBER	1.00	X					0.	0.	0.	
NORIKO GAMBLIN BOARD MEMBER	1.00	X					0.	0.	0.	
SALLY WHEATON HUSHCHA BOARD MEMBER	1.00	X					0.	0.	0.	
REBECCA LAWRENCE BOARD MEMBER	1.00	X					0.	0.	0.	
MARK LELLMAN BOARD MEMBER	1.00	X					0.	0.	0.	
T CODY TURNQUIST BOARD MEMBER	1.00	X					0.	0.	0.	
ELLEN WATTERS BOARD MEMBER	1.00	X					0.	0.	0.	
MARSHALL BROWNE 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	(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			
LINDA COFFEY BOARD MEMBER	1.00	X						0.	0.	0.
KELLY CONNOLE BOARD MEMBER	1.00	X						0.	0.	0.
MEL DICKSTEIN BOARD MEMBER	1.00	X						0.	0.	0.
ALAN NAYLOR BOARD MEMBER	1.00	X						0.	0.	0.
PHILIP PALMQUIST BOARD MEMBER	1.00	X						0.	0.	0.
CAROL STEPHENS BOARD MEMBER	1.00	X						0.	0.	0.
EMILY GALUSHA EXECUTIVE DIRECTOR	40.00				X			75,865.	0.	3,656.
1b Total								75,865.	0.	3,656.

2 Total number of individuals (including those in 1a) who received more than \$100,000 in 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 for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization 0

Part VIII Statement of Revenue			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns						
	b	Membership dues	12,995.					
	c	Fundraising events						
	d	Related organizations						
	e	Government grants (contributions)	52,548.					
	f	All other contributions, gifts, grants, and similar amounts not included above	1148074.					
	g	Noncash contributions included in lines 1a-1f: \$	6,360.					
	h	Total. Add lines 1a-1f		1,213,617.				
	Program Service Revenue	2 a	ALL PROGRAMS (SCH O)	900099	494,270.	494,270.		
b								
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f		494,270.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		34,438.		34,438.		
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross Rents	(i) Real					
			(ii) Personal					
			b	Less: rental expenses				
			c	Rental income or (loss)				
	d	Net rental income or (loss)						
	7 a	Gross amount from sales of assets other than inventory	(i) Securities					
			(ii) Other					
			b	Less: cost or other basis and sales expenses				
			c	Gain or (loss)				
	d	Net gain or (loss)						
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
			b	Less: direct expenses				
			c	Net income or (loss) from fundraising events				
	9 a	Gross income from gaming activities. See Part IV, line 19	a					
b			Less: direct expenses					
c			Net income or (loss) from gaming activities					
10 a	Gross sales of inventory, less returns and allowances	a	14,121.					
		b	Less: cost of goods sold	6,404.				
		c	Net income or (loss) from sales of inventory		7,717.	7,717.		
Miscellaneous Revenue		Business Code						
11 a	MISCELLANEOUS	900099	8,642.	8,642.				
b	CONSIGNED SALES (SCH O)	423000	-69,449.		-69,449.			
c								
d	All other revenue							
e	Total. Add lines 11a-11d		-60,807.					
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		1,689,235.	502,912.	-61,732.	34,438.		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	88,500.	88,500.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	11,000.	11,000.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	63,617.	25,447.	31,808.	6,362.
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	265,951.	203,551.	44,373.	18,027.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,901.	6,194.	1,205.	502.
9 Other employee benefits	9,986.	7,825.	1,695.	466.
10 Payroll taxes	26,199.	18,327.	5,943.	1,929.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	9,821.	6,864.	2,270.	687.
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	199,893.	168,278.	31,561.	54.
12 Advertising and promotion	13,022.	12,277.	745.	
13 Office expenses	140,430.	124,619.	12,176.	3,635.
14 Information technology				
15 Royalties				
16 Occupancy	100,146.	92,787.	7,359.	
17 Travel	37,529.	21,173.	15,394.	962.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	4,118.	690.	3,428.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	56,818.	52,517.	4,301.	
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a EXHIBITION COMMISSIONS	20,425.	20,425.		
b MISCELLANEOUS	11,466.	10,062.	1,404.	
c INSURANCE	11,078.	10,849.	229.	
d CLAYMOBILE	3,366.	3,366.		
e LIBRARY	2,663.	2,663.		
f All other expenses	1,257.	460.	797.	
25 Total functional expenses. Add lines 1 through 24f	1,085,186.	887,874.	164,688.	32,624.
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation ...				

Part X Balance Sheet

		(A)		(B)	
		Beginning of year		End of year	
Assets	1	Cash - non-interest-bearing	397.	1	335.
	2	Savings and temporary cash investments	1,220,552.	2	824,619.
	3	Pledges and grants receivable, net	229,595.	3	720,804.
	4	Accounts receivable, net	4,407.	4	9,542.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	27,431.	8	25,193.
	9	Prepaid expenses and deferred charges	10,878.	9	9,611.
	10a	Land, buildings, and equipment: cost basis ...	1,464,066.		
	b	Less: accumulated depreciation. Complete Part VI of Schedule D	647,715.		
			857,429.	10c	816,351.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11	237,661.	12	764,183.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
15	Other assets. See Part IV, line 11	0.	15	6,360.	
16	Total assets. Add lines 1 through 15 (must equal line 34)	2,588,350.	16	3,176,998.	
Liabilities	17	Accounts payable and accrued expenses	114,066.	17	102,287.
	18	Grants payable		18	
	19	Deferred revenue	57,789.	19	54,229.
	20	Tax-exempt bond liabilities		20	
	21	Escrow account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	200,000.	23	200,000.
	24	Unsecured notes and loans payable		24	
	25	Other liabilities. Complete Part X of Schedule D	21,581.	25	21,519.
	26	Total liabilities. Add lines 17 through 25	393,436.	26	378,035.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	1,461,922.	27	1,504,156.
	28	Temporarily restricted net assets	722,992.	28	1,274,807.
	29	Permanently restricted net assets	10,000.	29	20,000.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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	2,194,914.	33	2,798,963.	
34	Total liabilities and net assets/fund balances	2,588,350.	34	3,176,998.	

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b Were the organization's financial statements audited by an independent accountant?	X	
c If "Yes" to lines 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?	X	
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?		X
b If "Yes," did the organization undergo the required audit or audits?		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization **NORTHERN CLAY CENTER** Employer identification number **41-1616650**

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: (Please check only **one** organization.)

- 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)**. (Attach Schedule H.)
- 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 the Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**. (see instructions)
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

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

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

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule A (Form 990 or 990-EZ) 2008

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.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
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 - 3						
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)						
6 Public Support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, 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.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33 1/3% support test - 2008. 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		<input type="checkbox"/>
b 33 1/3% support test - 2007. 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		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2008. 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		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2007. 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		<input type="checkbox"/>
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		<input type="checkbox"/>

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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	370,975.	742,870.	447,381.	665,619.	1213617.	3440462.
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	454,745.	424,087.	485,652.	548,741.	494,270.	2407495.
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 - 5	825,720.	1166957.	933,033.	1214360.	1707887.	5847957.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	15,386.	16,680.	17,787.	12,601.	16,118.	78,572.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b	15,386.	16,680.	17,787.	12,601.	16,118.	78,572.
8 Public support (Subtract line 7c from line 6.)						5769385.

Section B. Total Support

Calendar year (or fiscal year beginning in)▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	825,720.	1166957.	933,033.	1214360.	1707887.	5847957.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	7,065.	22,143.	39,783.	44,783.	34,438.	148,212.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	7,065.	22,143.	39,783.	44,783.	34,438.	148,212.
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.)	11,037.	8,667.	7,372.	8,596.	8,642.	44,314.
13 Total support (Add lines 9, 10c, 11, and 12.)						6040483.

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 2008 (line 8, column (f) divided by line 13, column (f))	15	95.51 %
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	97.39 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	2.45 %
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	1.79 %

19a 33 1/3% support tests - 2008. 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 - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization **NORTHERN CLAY CENTER** Employer identification number **41-1616650**

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?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> 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 pleasure) Preservation of an historically important land area
 Protection of natural habitat Preservation of certified historic structure
 Preservation of open space

2 Complete lines 2a-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 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	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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, violations, and enforcement of the conservation easements it holds?

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

7 Amount of expenses incurred in monitoring, inspecting, and enforcing 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)?

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

b If the organization elected, as permitted under SFAS 116, 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 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 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 EDUCATION
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIV.

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	10,000.				
b Contributions	10,000.				
c Investment earnings or losses	618.				
d Grants or scholarships	500.				
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	20,118.				

- 2 Provide the estimated percentage of the year end balance held as:
- a Board designated or quasi-endowment %
 - b Permanent endowment 100.00 %
 - c Term endowment %
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|-----------------------------|--------------------------|-------------------------------------|
| (i) unrelated organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) related organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? Yes No
- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		137,500.		137,500.
b Buildings		947,518.	353,016.	594,502.
c Leasehold improvements				
d Equipment		379,048.	294,699.	84,349.
e Other				0.
Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				816,351.

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,689,235.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,085,186.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	604,049.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	0.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	604,049.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	1,883,105.
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	3,998.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	189,872.
e	Add lines 2a through 2d	2e	193,870.
3	Subtract line 2e from line 1	3	1,689,235.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	1,689,235.

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

1	Total expenses and losses per audited financial statements	1	1,279,056.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	3,998.
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	189,872.
e	Add lines 2a through 2d	2e	193,870.
3	Subtract line 2e from line 1	3	1,085,186.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	1,085,186.

Part XIV Supplemental Information

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

PART III, LINE 4: THE CENTER'S ART COLLECTION CONSISTS OF POTS AND

SCULPTURES MADE DURING WORKSHOPS, PARTIALLY FINISHED PIECES USED BY

TEACHERS TO DEMONSTRATE TECHNIQUES, AND FINISHED WORKS DONATED BY ARTISTS

AND OTHERS FOR DEMONSTRATION PURPOSES IN CLASSES.

PART V, LINE 4: THE ENDOWMENT CONSISTS OF A FUND ESTABLISHED TO

PROVIDE FINANCIAL AWARDS TO ARTISTS.

Part XIV Supplemental Information (continued)

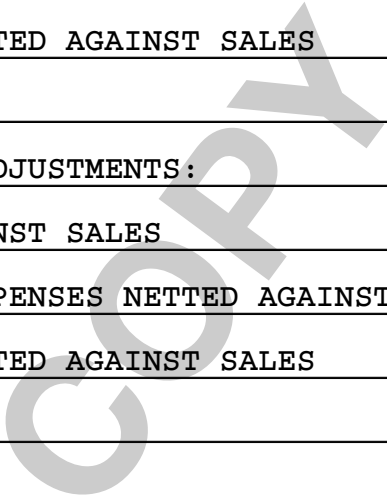
PART X: IT IS THE POLICY OF THE CENTER, IN ACCORDANCE WITH FASB INTERPRETATION NO. 48, TO ASSESS ANY UNCERTAIN TAX POSITIONS AND, IF NECESSARY, RECORD A TAX ASSET OR LIABILITY, AND THE RELATED INCOME TAX EXPENSE, FOR ANY UNCERTAIN TAX POSITIONS. DURING THE YEAR, THE CENTER DID NOT HAVE ANY UNCERTAIN TAX POSITIONS.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

- GALLERY EXPENSES NETTED AGAINST SALES
- AMERICAN POTTERY FESTIVAL EXPENSES NETTED AGAINST SALES
- NCC PUBLICATION EXPENSES NETTED AGAINST SALES

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

- GALLERY EXPENSES NETTED AGAINST SALES
- AMERICAN POTTERY FESTIVAL EXPENSES NETTED AGAINST SALES
- NCC PUBLICATION EXPENSES NETTED AGAINST SALES



**Schedule F
(Form 990)**

Statement of Activities Outside the United States

OMB No. 1545-0047

2008

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 990. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, line 15, or line 16.**

Open to Public Inspection

Name of the organization

Employer identification number

NORTHERN CLAY CENTER

41-1616650

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 For grantmakers. 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 For grantmakers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
EAST ASIA AND THE PACIFIC	0	0	GRANT TO RECIPIENT LOCATED IN REGION		5,000.
EUROPE	0	0	GRANT TO RECIPIENT LOCATED IN REGION		6,000.
Totals					11,000.

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

Schedule F (Form 990) 2008

Part III Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.

Use Schedule F-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
ARTIST SUPPORT	EAST ASIA AND THE PACIFIC	1	5,000.	ISSUED A CHECK	0.		
ARTIST SUPPORT	EUROPE	1	6,000.	ISSUED A CHECK	0.		

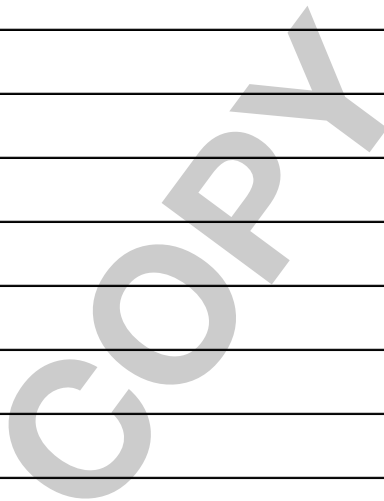
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Part IV Supplemental Information

Complete this part to provide the information required by Part I, line 2, and any other additional information.

SCHEDULE F, PART I, LINE 2: THE GRANT FUNDS AWARDED TO ARTISTS ARE MONITORED BY SEVERAL STAFF MEMBERS. THERE ARE INTERIM PROGRESS MEETINGS WITH THE GRANT RECIPIENT AND A FINAL REPORT IS SUBMITTED BY THE ARTIST.

SCHEDULE F, PART I, LINE 3: EXPENDITURES ARE ACCOUNTED FOR USING THE ACCRUAL METHOD.



**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the U.S.**

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

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

NORTHERN CLAY CENTER

Employer identification number

41-1616650

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" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) 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

- 2** Enter total number of section 501(c)(3) and government organizations ▶ _____
- 3** Enter total number of other organizations ▶ _____

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

Schedule I (Form 990) 2008

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) 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
ARTIST SUPPORT	10	88,500.	0.		



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

SCHEDULE I, PART I, LINE 2: THE GRANT FUNDS AWARDED TO ARTISTS ARE
 MONITORED BY SEVERAL STAFF MEMBERS. THERE ARE INTERIM PROGRESS MEETINGS
 WITH THE GRANT RECIPIENT. THE ARTIST IS REQUIRED TO SUBMIT A FINAL REPORT
 AND THEIR WORK IS EXHIBITED IN A CLAY CENTER GALLERY SHOW.

**SCHEDULE M
(Form 990)**

NonCash Contributions

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ To be completed by organizations that answered
"Yes" on Form 990, Part IV, lines 29 or 30.

▶ Attach to Form 990.

Name of the organization **NORTHERN CLAY CENTER** Employer identification number **41-1616650**

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art - Works of art	X	1	6,360	APPRAISAL
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				
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 ▶ (_____)				
26 Other ▶ (_____)				
27 Other ▶ (_____)				
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgment **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 revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.		

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule M (Form 990) 2008

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

NORTHERN CLAY CENTER

Employer identification number

41-1616650

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

NORTHERN CLAY CENTER'S MISSION IS THE ADVANCEMENT OF THE CERAMIC ARTS.

ITS GOALS ARE TO PROMOTE EXCELLENCE IN THE WORK OF CLAY ARTISTS, TO

PROVIDE EDUCATIONAL OPPORTUNITIES FOR ARTISTS AND THE COMMUNITY, AND TO

ENCOURAGE THE PUBLIC'S APPRECIATION AND UNDERSTANDING OF THE CERAMIC

ARTS.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

NORTHERN CLAY CENTER'S MISSION IS THE ADVANCEMENT OF THE CERAMIC ARTS.

ITS GOALS ARE TO PROMOTE EXCELLENCE IN THE WORK OF CLAY ARTISTS, TO

PROVIDE EDUCATIONAL OPPORTUNITIES FOR ARTISTS AND THE COMMUNITY, AND TO

ENCOURAGE THE PUBLIC'S APPRECIATION AND UNDERSTANDING OF THE CERAMIC

ARTS.

FORM 990, PART VI, SECTION A, LINE 10: THE AUDIT COMMITTEE REVIEWS THE 990

FORM AND MAKES A RECOMMENDATION TO THE BOARD FOR APPROVAL. THE FINAL 990

FORM IS SENT ELECTRONICALLY TO ALL VOTING MEMBERS OF THE BOARD.

FORM 990, PART VI, SECTION B, LINE 12C: THE BOARD AND STAFF RECEIVE A COPY

OF THE CONFLICT OF INTEREST POLICY EACH YEAR AND SIGN A STATEMENT

CONCERNING CONFLICTS OF INTEREST. THE STATEMENT STATES THE RELATIONSHIP TO

NORTHERN CLAY CENTER, RECEIPT OF A COPY OF THE POLICY, ACKNOWLEDGMENT OF

READING AND UNDERSTANDING THE POLICY, AND AGREEMENT TO COMPLY WITH THE

POLICY AND DISCLOSE ANY CONFLICTS OF INTEREST PRIOR TO ANY DECISIONS.

FORM 990, PART VI, SECTION B, LINE 15: EVERY COUPLE OF YEARS, THE

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

Schedule O (Form 990) 2008

832211
12-18-08

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

NORTHERN CLAY CENTER

Employer identification number

41-1616650

EXECUTIVE DIRECTOR REVIEWS THE MOST CURRENT VERSION OF A COMPENSATION SURVEY PREPARED BY THE MINNESOTA COUNCIL OF NONPROFITS. THIS SURVEY SHOWS PAY LEVELS AND OTHER COMPENSATION IN THE NONPROFIT FIELD. THE CENTER MATCHES POSITION DESCRIPTIONS AS CLOSELY AS POSSIBLE, AND THEN LOOKS AT THE RANGE OF COMPENSATION ACROSS THE TYPE, SCALE, AND LOCATION OF ORGANIZATIONS (ARTS, BUDGET RANGE, TWIN CITIES). THE CENTER ALSO REVIEWS TRENDS IN SUCH AREAS AS PAID TIME OFF, RETIREMENT CONTRIBUTIONS, HEALTH INSURANCE, ETC. THE BOARD'S POLICY IS TO TRY TO BE IN THE 75TH TO 90TH PERCENTILE OF AVERAGE COMPENSATION.

FORM 990, PART VI, SECTION C, LINE 19: THE CENTER MAKES ITS 990 AVAILABLE TO THE PUBLIC, HOWEVER DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND INTERNAL FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC.

FORM 990, PART XI, LINE 2C

OVERSIGHT OF AUDIT

THE CENTER HAS NOT CHANGED ITS PRACTICES FOR OVERSIGHT OF THE AUDIT AND SELECTION OF THE INDEPENDENT ACCOUNTANT.

FORM 990, PART V, LINE 7, FILING FORM 8899 AND 1098-C

THE CENTER DID NOT RECEIVE ANY CONTRIBUTIONS DURING THE YEAR FOR QUALIFIED INTELLECTUAL PROPERTY OR VEHICLES OF ANY TYPE.

FORM 990, PART VIII, LINE 2A, STATEMENT OF REVENUE

ALL PROGRAMS INCLUDES CLASSES, WORKSHOPS, OUTREACH, EXHIBITIONS, STUDIO

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

Schedule O (Form 990) 2008

832211
12-18-08

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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OMB No. 1545-0047

2008

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Name of the organization

NORTHERN CLAY CENTER

Employer identification number

41-1616650

ARTIST PROGRAM, AND THE AMERICAN POTTERY FESTIVAL.

FORM 990, PART VIII, LINE 11A, STATEMENT OF REVENUE

CONSIGNED SALES CONSISTS OF REVENUES OF \$291,367 LESS DIRECT ARTIST

COMMISION EXPENSES OF \$170,944 AND DIRECT OPERATING EXPENSES OF

\$189,872.

COPY

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	BUILDINGS AND EQUIPMENT	VARIABLES	SL	.000	16	1326566.			1326566.	582,317.		65,398.
2	LAND	VARIABLES		.000	16	137,500.			137,500.			0.
	* TOTAL 990 PAGE 10 DEPR					1464066.		0.	1464066.	582,317.	0.	65,398.