



30

ATTACHMENT 10

UNC Faculty-Staff Recreation Association
#1 Alice Ingram Circle
Chapel Hill, NC 27517
CB #2900
919-962-3933 (FAX) 919-962-6854
www.uncfarm.com

March 16, 2004

Cal Horton
Town of Chapel Hill Town Manager
306 North Columbia Street
Chapel Hill, NC 27516

Mr. Horton:

We are writing this letter in reference to your request of the University of North Carolina at Chapel Hill for more information regarding the property tax status of our facility, the University of North Carolina Faculty-Staff Recreation Association. As you know, we have applied for a special use permit from the Town of Chapel Hill to construct a new building at our facility. Our facilities are located on State of North Carolina property, within the county limits of Durham and Chapel Hill city limits (annexed in July, 2001.)

The University of North Carolina at Chapel Hill Faculty-Staff Recreation Association is a non-profit association. The purposes of the Association are (1) to advance the educational program of the University of North Carolina at Chapel Hill by operating facilities which are made available to full-time, part-time and adjunct faculty and staff of that University to meet their recreational and social needs; (2) to help recruit and to retain faculty and staff for that University by increasing the attractiveness of employment at that University; and (3) through their participation in the Association's activities to contribute to the well being, satisfaction, and effectiveness of that faculty and staff.

The FSRA received federal income tax exempt status on May 19, 1972 (letter enclosed). According to our records, the FSRA has never received any notices regarding property tax from Durham County or the Town of Chapel Hill. Please feel free to contact us directly if you desire any more information regarding our property tax status.

Sincerely,

Judy Hinderliter
FSRA President

Ben Allred
FSRA Manager

Address any reply to:

P. O. Box 737, Atlanta, Ga. 30301
Department of the Treasury

31



**District Director
Internal Revenue Service**

Date: **MAY 19 1972** | In reply refer to: **411-12:QDB:A0805**

University of North Carolina Faculty
Staff Recreation Association, Incorporated
Rt. 6, Box 149
Chapel Hill, N. C. 27514

I. R. Code: Section 501(c) (7)
Address Inquiries and File Returns with District
Director of Internal Revenue: Atlanta, Ga.
Accounting Period Ending: September 30

On the basis of your stated purposes and the understanding that your operations will continue as evidenced to date or will conform to those proposed in your ruling application, we have concluded that you are exempt from Federal income tax under the provisions of the Internal Revenue Code section indicated above. Any changes in operations from those described, or in your character or purposes, must be reported immediately to your District Director for consideration of their effect upon your exempt status. You must also report any change in your name or address.

You are not required to file Federal income tax returns so long as you retain an exempt status, unless you are subject to the tax on unrelated business income imposed by section 511 of the Code, in which event you are required to file Form 990-T. You are required to file an information return, Form 990, annually on or before the 15th day of the fifth month after the close of your annual accounting period indicated above.

You are liable for the taxes imposed under the Federal Insurance Contributions Act (social security taxes); and for the tax imposed under the Federal Unemployment Tax Act if you have four or more individuals in your employ.

Any questions concerning excise, employment or other Federal taxes should be submitted to this office.

This is a determination letter.

Very truly yours,

W. T. Coppinger
W. T. Coppinger
District Director