

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)

2002

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 2002 calendar year, or tax year beginning **July 1**, 2002, and ending **June 30**, 2003

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

C Name of organization: **Tapestry Folkdance Center**
 Number and street (or P O box if mail is not delivered to street address) Room/suite: **3748 Minnehaha Ave**
 City or town state or country and ZIP + 4: **Minneapolis, MN 55406-2668**

D Employer identification number: **41, 1459618**

E Telephone number: **(612) 722-2914**

F Accounting method: Cash Accrual
 Other (specify) ▶

G Web site ▶ **www.tapestryfolkdance.org**

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

K Check here ▶ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

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? Yes No (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Enter 4-digit GEN ▶

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **264,156**

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions)

Revenue	1 Contributions, gifts, grants, and similar amounts received				
	a Direct public support	1a	39,415		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ <u>39,415</u> noncash \$ _____)	1d		39,415	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			219,687
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			16
	5 Dividends and interest from securities	5			1
	6a Gross rents	6a			
	b Less rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7 Other investment income (describe ▶)	7				
8a Gross amount from sales of assets other than inventory	(A) Securities	8a			
	(B) Other	8b			
	Less cost or other basis and sales expenses	8c			
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
9 Special events and activities (attach schedule)	a Gross revenue (not including \$ <u>50</u> of contributions reported on line 1a)	9a	3,644		
	b Less direct expenses other than fundraising expenses	9b	0		
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c			3,644
10a Gross sales of inventory, less returns and allowances	10a	1,394			
	b Less cost of goods sold	10b	110		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			1,283
11 Other revenue (from Part VII, line 103)	11				
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			264,046	
Expenses	13 Program services (from line 44, column (B))	13		233,807	
	14 Management and general (from line 44, column (C))	14		40,480	
	15 Fundraising (from line 44, column (D))	15		14,531	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 13 and 14, column (A))	17			288,818
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		(24,772)	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		451,137	
	20 Other changes in net assets or fund balances (attach explanation)	20			
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			426,365

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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 page 21 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc	25			
26 Other salaries and wages	26	71,881	36,093	26,520
27 Pension plan contributions	27			
28 Other employee benefits	28	2,640	1,380	960
29 Payroll taxes	29	5,671	2,624	2,456
30 Professional fundraising fees	30			
31 Accounting fees	31	2,218	2,218	
32 Legal fees	32			
33 Supplies	33	2,985	627	1,255
34 Telephone	34	2,273	1,932	227
35 Postage and shipping	35	4,590	2,955	161
36 Occupancy	36	15,765	15,151	614
37 Equipment rental and maintenance	37	1,894	1,816	78
38 Printing and publications	38	4,995	4,038	129
39 Travel	39			
40 Conferences, conventions, and meetings	40			
41 Interest	41	23,277	22,051	1,226
42 Depreciation, depletion, etc (attach schedule)	42	21,669	20,802	867
43 Other expenses not covered above (itemize) a	43a			
b Contractors (artist fees)	43b	119,882	118,928	104
c Insurance	43c	5,792	3,992	1,800
d Miscellaneous	43d	3,286	1,418	1,865
e	43e			
44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	288,818	233,807	40,480

Joint Costs Check if you are following SOP 98-2

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

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

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See page 24 of the instructions)

What is the organization's primary exempt purpose? To create opportunities for participating in the joys of dance and music from around the world.	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts but optional for others)
a Tapestry offers folk dancing events, which include instruction in folk dance, recreational dancing, performance of folk dance and music, and ethnic celebrations. In 2002-03 our attendance totalled 35,473. This was a 10% increase over the previous year. (Grants and allocations \$ _____)	229,131
b Tapestry is a resource for information about local and national folk dance teachers, musicians, performing groups, and events. Phone and electronic requests for information were estimated at 4,000 for the year. Our web site was accessed by an average of 1,632 unique visitors each month. (Grants and allocations \$ _____)	4,676
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44 column (B), Program services)	233,807

Part IV Balance Sheets (See page 24 of the instructions)

Note		(A)		(B)		
		Beginning of year		End of year		
Assets	45 Cash—non-interest-bearing		19,370	45	24,582	
	46 Savings and temporary cash investments		14,294	46	0	
	47a Accounts receivable	47a	5,920			
	b Less allowance for doubtful accounts	47b	0	3,492	47c	5,920
	48a Pledges receivable	48a	0			
	b Less allowance for doubtful accounts	48b	0	1,730	48c	0
	49 Grants receivable		12,400	49	0	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50		
	51a Other notes and loans receivable (attach schedule)	51a				
	b Less allowance for doubtful accounts	51b			51c	
	52 Inventories for sale or use			52		
	53 Prepaid expenses and deferred charges			53		
	54 Investments—securities (attach schedule)	▶ <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	0	54	130	
	55a Investments—land, buildings, and equipment basis	55a				
	b Less accumulated depreciation (attach schedule)	55b			55c	
	56 Investments—other (attach schedule)			56		
	57a Land, buildings, and equipment basis	57a	725,498			
	b Less accumulated depreciation (attach schedule)	57b	83,731	663,703	57c	641,767
	58 Other assets (describe ▶ _____)			58		
59 Total assets (add lines 45 through 58) (must equal line 74)		714,989	59	672,399		
Liabilities	60 Accounts payable and accrued expenses		8,065	60	5,472	
	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)		255,787	64b	240,562	
	65 Other liabilities (describe ▶ _____)			65		
66 Total liabilities (add lines 60 through 65)		263,852	66	248,034		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67 Unrestricted		438,737	67	426,365	
	68 Temporarily restricted		12,400	68	0	
	69 Permanently restricted			69		
	Organizations that do not follow SFAS 117, check here <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 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		451,137	73	426,365		
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		714,989	74	672,399		

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.

Part VI Other Information (See page 27 of the instructions)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	<input type="checkbox"/>	<input checked="" type="checkbox"/>
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b	If "Yes," has it filed a tax return on Form 990-T for this year?	<input type="checkbox"/>	<input type="checkbox"/>
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt	<input type="checkbox"/>	<input type="checkbox"/>
81a	Enter direct or indirect political expenditures See line 81 instructions 81a	<input type="checkbox"/>	<input type="checkbox"/>
b	Did the organization file Form 1120-POL for this year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III) 82b 39,500	<input type="checkbox"/>	<input type="checkbox"/>
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<input type="checkbox"/>	<input type="checkbox"/>
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	<input type="checkbox"/>	<input type="checkbox"/>
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	<input type="checkbox"/>	<input type="checkbox"/>
c	Dues, assessments, and similar amounts from members 85c	<input type="checkbox"/>	<input type="checkbox"/>
d	Section 162(e) lobbying and political expenditures 85d	<input type="checkbox"/>	<input type="checkbox"/>
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e	<input type="checkbox"/>	<input type="checkbox"/>
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f	<input type="checkbox"/>	<input type="checkbox"/>
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	<input type="checkbox"/>	<input type="checkbox"/>
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	<input type="checkbox"/>	<input type="checkbox"/>
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12 86a	<input type="checkbox"/>	<input type="checkbox"/>
b	Gross receipts, included on line 12 for public use of club facilities 86b	<input type="checkbox"/>	<input type="checkbox"/>
87	501(c)(12) orgs Enter a Gross income from members or shareholders 87a	<input type="checkbox"/>	<input type="checkbox"/>
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 87b	<input type="checkbox"/>	<input type="checkbox"/>
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	<input type="checkbox"/>	<input checked="" type="checkbox"/>
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> , section 4912 <input type="checkbox"/> , section 4955 <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
90a	List the states with which a copy of this return is filed <input type="checkbox"/> Minnesota	<input type="checkbox"/>	<input type="checkbox"/>
b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions) 90b 3	<input type="checkbox"/>	<input type="checkbox"/>
91	The books are in care of <input type="checkbox"/> Tapestry Folkdance Center Telephone no <input type="checkbox"/> (812) 722-2914 Located at <input type="checkbox"/> 3748 Minnehaha Ave, Minneapolis, MN ZIP + 4 <input type="checkbox"/> 55408-2668	<input type="checkbox"/>	<input type="checkbox"/>
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92	<input type="checkbox"/>	<input type="checkbox"/>

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Workshops and dances					182,576
b Dance group rehearsals					37,111
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	16	
96 Dividends and interest from securities			14	1	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01	3,644	
102 Gross profit or (loss) from sales of inventory			03	1,283	
103 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				4,944	219,687
105 Total (add line 104, columns (B), (D), and (E))					224,631

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 32 of 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	These events expose people to folk dance arts and education.
93b	Dance education and performance are provided by these groups.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions)

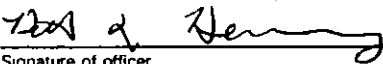
(A) Name, address and EIN of corporation, partnership or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of 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)

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
Beth L. Hennessy, Financial Officer

11/13/03
Date

Date	Check if self employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W)
EIN		

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions)

OMB No 1545 0047

2002

Department of the Treasury
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization Tapestry Folkdance Center	Employer identification number 41-1459618
--------------------------------------------------------------	-----------------------------------------------------

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
- None -				
.....				
.....				
.....				
.....				
.....				
.....				
.....				
.....				
Total number of other employees paid over \$50,000 ▶	- None -			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
TC Swing, LLC 2261 Lexington Ave N, St. Paul, MN 55113	Dance instruction and program scheduling	60,972
.....		
.....		
.....		
.....		
.....		
.....		
Total number of others receiving over \$50,000 for professional services ▶	1	

Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A or line 1 of Part VI-B)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities</p>		✓
2		
<p>2a Sale exchange, or leasing of property?</p>		✓
<p>2b Lending of money or other extension of credit?</p>		✓
<p>2c Furnishing of goods, services, or facilities?</p>		✓
<p>2d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	✓	
<p>2e Transfer of any part of its income or assets?</p>		✓
<p>3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below)</p>		✓
<p>4 Do you have a section 403(b) annuity plan for your employees?</p>	✓	
<p>Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments</p>		

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)

The organization is not a private foundation because it is (Please check only **ONE** applicable box)

- 5** A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6** A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7** A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8** A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9** A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶
- 10** An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a** An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b** A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12** An organization that normally receives **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable etc., functions—subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13** An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in **(1)** lines 5 through 12 above, or **(2)** section 501(c)(4) (5) or (6) if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10 11, or 12) *Use cash method of accounting*
Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in) ▶	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	61,524	58,558	58,095	243,777	421,954
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	188,524	169,662	134,434	112,486	605,106
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	1,164	3,630	2,411	2,114	9,319
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	251,212	231,850	194,940	358,377	1,036,379
24 Line 23 minus line 17	62,688	62,188	60,506	245,891	431,273
25 Enter 1% of line 23	2,512	2,318	1,949	3,584	
26 Organizations described on lines 10 or 11	<p>a Enter 2% of amount in column (e), line 24 ▶ 26a</p> <p>b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts ▶ 26b</p> <p>c Total support for section 509(a)(1) test Enter line 24 column (e) ▶ 26c</p> <p>d Add Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____ ▶ 26d</p> <p>e Public support (line 26c minus line 26d total) ▶ 26e</p> <p>f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ 26f %</p>				
27 Organizations described on line 12	<p>a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person" prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return Enter the sum of such amounts for each year</p> <p>(2001) 1,935 (2000) 1,660 (1999) 8,377 (1998) 45,593</p> <p>b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year</p> <p>(2001) NA (2000) NA (1999) NA (1998) NA</p> <p>c Add Amounts from column (e) for lines 15 421,954 16 0 17 605,106 20 0 21 0 ▶ 27c 1,027,060</p> <p>d Add Line 27a total 57,565 and line 27b total 0 ▶ 27d 57,565</p> <p>e Public support (line 27c total minus line 27d total) ▶ 27e 969,495</p> <p>f Total support for section 509(a)(2) test Enter amount from line 23, column (e) ▶ 27f 1,036,379</p> <p>g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ 27g 94 %</p> <p>h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ 27h 1 %</p>				
28 Unusual Grants For an organization described in line 10 11 or 12 that received any unusual grants during 1998 through 2001 prepare a list for your records to show for each year, the name of the contributor, the date and amount of the grant and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15					

Part V Private School Questionnaire (See page 7 of the instructions)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes" please describe, if "No," please explain (If you need more space attach a separate statement)		
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

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

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

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers	✓		
b Paid staff or management (Include compensation in expenses reported on lines c through h)	✓		
c Media advertisements	✓		
d Mailings to members, legislators, or the public	✓		
e Publications, or published or broadcast statements	✓		
f Grants to other organizations for lobbying purposes	✓		
g Direct contact with legislators, their staffs, government officials, or a legislative body	✓		
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	✓		
i Total lobbying expenditures (Add lines c through h)			

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

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Part I, Line 9.

Special Events and Activities	Gross Receipts	Contributions	Gross Revenue	Direct Expenses	Net Income
Silent Auction	\$ 3,694	\$ 50	\$ 3,644	\$ -	\$ 3,644
TOTAL	\$ 3,694	\$ 50	\$ 3,644	\$ -	\$ 3,644

Part I, Line 10.c.

Sale Item	Gross Sales	Cost of Goods Sold*	Gross Profit
Concessions	\$ 1,195	\$ 110	\$ 1,084
T-Shirts, etc	\$ 199	\$ -	\$ 199
TOTAL	\$ 1,394	\$ 110	\$ 1,283

* The cost of t-shirts and similar items were all incurred in previous years and total costs listed at the time of purchase

Part II, Line 42.

Tapestry depreciates its sound equipment (tape players, mixer, amplifier, microphones), office equipment (computers and printers) and furniture (chairs and admission tables) over a 5-year period, taking 20% of the original value each year Tapestry depreciates its land and building over a 30-year period, taking 3 33% of the original value each year

Part IV, Line 54.

Company	Fair Market Value on 06/30/2003
3M	\$130
TOTAL	\$130

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Part IV, Line 57.b.

Item	Cost	Accumulated depreciation	Book value
Safe	\$ 479	\$ 479	\$ -
Yamaha P2350 Power Amplifier and MC802 Mixing Console	\$ 1,840	\$ 1,840	\$ -
Yamaha 100 Amplifier/Mixer	\$ 650	\$ 650	\$ -
Audio-technica ATM63HE Microphone	\$ 151	\$ 151	\$ -
Theater lights	\$ 591	\$ 591	\$ -
Folding chairs	\$ 214	\$ 214	\$ -
Sony Cassette Tape Deck Model TCWR565	\$ 252	\$ 252	\$ -
Sound Console	\$ 300	\$ 300	\$ -
8 Shure SM57LC Microphones and 1 Shure SM58LC Microphone	\$ 795	\$ 795	\$ -
8 Atlas MSX-10CE Microphone Stands & 8 PB21XE Extendable-Length Booms	\$ 639	\$ 639	\$ -
ATEC Pentium Computer & SunView Energy Monitor	\$ 1,101	\$ 1,101	\$ -
Admission desk	\$ 1,200	\$ 1,200	\$ -
Admission desk	\$ 1,200	\$ 1,120	\$ 80
Center loudspeaker in main hall	\$ 1,223	\$ 856	\$ 367
Speakers in main hall	\$ 2,139	\$ 1,497	\$ 642
Amplifier	\$ 400	\$ 280	\$ 120
Powered mixer	\$ 241	\$ 168	\$ 73
Speaker hangers	\$ 300	\$ 210	\$ 89
Building, Land, and Renovations - 3748 Minnehaha	\$ 711,784	\$ 71,388	\$ 640,397
TOTAL	\$ 725,498	\$ 83,731	\$ 641,767

Part IV, Line 64.b.

Mortgages Payable

Tapestry Folkdance Center has a bank note, secured by the building, that is payable in monthly installments of \$1,785, including interest at 6 0% A balloon payment of \$211,560 is due May 27, 2008 The outstanding balance at June 30, 2003 was \$240,562

The future scheduled maturities of long-term debt are as follows

Years ending June 30

2004	\$5,300
2005	\$5,700
2006	\$6,200
2007	\$6,800
2008	<u>\$216,562</u>
	\$240,562

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Part V.

List of Officers, Directors, Trustees, and Key Employees

(A) Name and Address	(B) Title and average hours per week devoted to position	(C) Compensation	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense allowance and other allowances
Palmer Van Beest 1320 James Ave St Paul, MN 55105	Executive Director 40 hours/week	\$36,332	\$1,200 health benefits, \$3,600 reduced salary to 403(b)	\$0
Robert Anholt 1604 River Terrace Minneapolis, MN 55414	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Fiamma di Groia 27834 Lakelawn Dr Lindstrom, MN 55045-8312	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Althea Dixon 4016 Pleasant Ave S Minneapolis, MN 55409	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Tern Ellingson 14510 Shannon Parkway, #103 Rosemount, MN 55068	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Wayne Francisco 17400 W 66th St Eden Prairie, MN 55346	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
David Fury PO Box 16087 Minneapolis, MN 55416	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Terry Gardner 2261 Lexington Ave N St Paul, MN 55113	Vice President, Board of Directors 2 hours/week	\$0	\$0	\$0
Daniel Glover 1115 - 20th Ave N E , #2 Minneapolis, MN 55418	Secretary, Board of Directors 2 hours/week	\$0	\$0	\$0
Jyni Koschak 199 W Stevens St St Paul, MN 55107	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Theresa Mish 570 Selby Ave , #2 St Paul, MN 55102	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Jeff Nye 1945 Ewing Ave S Minneapolis, MN 55416	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Kristen Olsen 1994 St Claire Ave , #2 St Paul, MN 55105	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Will Ribbens 1728 Berkeley Ave St Paul, MN 55105	President, Board of Directors 2 hours/week	\$0	\$0	\$0

Schedule A (Form 990) - 2002
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Part III, 2d.

Tapestry pays compensation to a key employee the Executive Director is a full-time salaried position

Part III, 4.

Tapestry offers all employees the opportunity to set up a salary-reduction 403(b) plan Tapestry does not contribute any additional funds to these plans