

Return of Organization Exempt From Income Tax

2005

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

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 2005 calendar year, or tax year beginning July 1, 2005, and ending June 30, 2006

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

Please use IRS label or print or type. See Specific Instructions.

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 Avenue

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) ▶

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

- H and I are not applicable to section 527 organizations.**
- H(a)** Is this a group return for affiliates? Yes No
- H(b)** If "Yes," enter number of affiliates ▶
- H(c)** Are all affiliates included? Yes No (If "No," attach a list. See instructions.)
- H(d)** Is this a separate return filed by an organization covered by a group ruling? Yes No
- I** Group Exemption Number ▶
- M** Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Website: ▶ **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 chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **316,456**

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

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a		74,679	
	b Indirect public support	1b		0	
	c Government contributions (grants)	1c		25,000	
	d Total (add lines 1a through 1c) (cash \$ 99,679 noncash \$)				1d 99,679
	2 Program service revenue including government fees and contracts (from Part VII, line 93)				2 201,361
	3 Membership dues and assessments				3
	4 Interest on savings and temporary cash investments				4 1,095
	5 Dividends and interest from securities				5 52
	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	
Revenue	8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	b Less: cost or other basis and sales expenses	8a			
	c Gain or (loss) (attach schedule)	8b			
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a Gross revenue (not including \$ 5 of contributions reported on line 1a)	9a		11,376	
	b Less: direct expenses other than fundraising expenses	9b		3,221	
	c Net income or (loss) from special events (subtract line 9b from line 9a)				9c 8,155
Revenue	10a Gross sales of inventory, less returns and allowances	10a		2,893	
	b Less: cost of goods sold	10b		714	
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)				10c 2,180
	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			312,522	
Expenses	13 Program services (from line 44, column (B))	13		224,617	
	14 Management and general (from line 44, column (C))	14		44,170	
	15 Fundraising (from line 44, column (D))	15		11,919	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17			280,706
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		31,816	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		481,023	
	20 Other changes in net assets or fund balances (attach explanation)	20		(5,945)	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			506,894

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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 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 \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	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	66,556	29,587	27,140
27	Pension plan contributions	27			
28	Other employee benefits	28	957	358	407
29	Payroll taxes	29	5,463	2,477	2,179
30	Professional fundraising fees	30			
31	Accounting fees	31	4,265	0	4,265
32	Legal fees	32			
33	Supplies	33	3,446	1,585	1,861
34	Telephone	34	1,960	1,568	294
35	Postage and shipping	35	2,930	2,694	236
36	Occupancy	36	17,180	16,513	500
37	Equipment rental and maintenance	37	9,018	8,557	372
38	Printing and publications	38	2,873	2,282	225
39	Travel	39	2,238	2,238	0
40	Conferences, conventions, and meetings	40			
41	Interest	41	14,738	14,148	442
42	Depreciation, depletion, etc. (attach schedule)	42	22,476	21,577	674
43	Other expenses not covered above (itemize):				
a	Artist fees (contractors)	43a	116,681	116,681	0
b	Insurance	43b	7,538	4,351	3,187
c	Miscellaneous	43c	2,386	0	2,386
d	43d			
e	43e			
f	43f			
g	43g			
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	280,706	224,617	44,170

Joint Costs. Check if you are following SOP 98-2.
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

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

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

What is the organization's primary exempt purpose? ▶ To create opportunities for participating in the joys of dance and music from around the world. All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
a Tapestry offers folk dancing events, which include instruction in folk dance, recreational dancing, performance of folk dance and music, and ethnic celebrations. In 2005-06 our attendance totalled 34,743. This was a 16% increase over the previous fiscal year. (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	220,125
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 3,000 for the year, which was a 15% increase. Our web site was accessed by an average of 2,447 unique visitors each month, a 25% increase over the previous fiscal year. (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	4,492
c (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
d (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services). . . . ▶	224,617

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45 Cash—non-interest-bearing		73,561	45	64,905
	46 Savings and temporary cash investments			46	
	47a Accounts receivable	1,712			
	b Less: allowance for doubtful accounts	0	2,760	47c	1,712
	48a Pledges receivable	19,209			
	b Less: allowance for doubtful accounts	5,725	25,186	48c	13,484
	49 Grants receivable		0	49	27,500
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a Other notes and loans receivable (attach schedule)				
	b Less: allowance for doubtful accounts			51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges			53	
	54 Investments—securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54	
	55a Investments—land, buildings, and equipment: basis				
	b Less: accumulated depreciation (attach schedule)			55c	
56 Investments—other (attach schedule)			56		
57a Land, buildings, and equipment: basis	765,190				
b Less: accumulated depreciation (attach schedule)	150,236	637,430	57c	614,954	
58 Other assets (describe ►)			58		
59 Total assets (must equal line 74). Add lines 45 through 58.		738,937	59	722,555	
Liabilities	60 Accounts payable and accrued expenses		28,278	60	2,713
	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)		229,636	64b	212,948
	65 Other liabilities (describe ►)			65	
66 Total liabilities. Add lines 60 through 65		257,914	66	215,661	
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		455,837	67	479,394
	68 Temporarily restricted		25,186	68	27,500
	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)		481,023	73	506,894
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73.		738,937	74	722,555

Part VI Other Information (continued)		Yes	No
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?	✓	
	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		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	✓	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	✓	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	✓	
	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	✓	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
	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.		
	c Dues, assessments, and similar amounts from members		
	85c		
	d Section 162(e) lobbying and political expenditures		
	85d		
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e		
	f Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f		
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	85g		
	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?		
	85h		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
	86a		
	b Gross receipts, included on line 12, for public use of club facilities		
	86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
	87a		
	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b		
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		✓
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ ; section 4912 ▶ ; section 4955 ▶		
	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		✓
	89b		
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed ▶ <u>Minnesota</u>		
	b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	90b	3
91a	The books are in care of ▶ <u>Tapestry Folkdance Center</u> Telephone no. ▶ <u>(612) 722-2914</u> Located at ▶ <u>3748 Minnehaha Avenue, Minneapolis, MN</u> ZIP + 4 ▶ <u>55406-2668</u>		
	b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 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.	91b	✓
	c At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶	91c	✓
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 —Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ <u>92</u>		☐

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Workshops and dances					187,534
b Dance group rehearsals					13,828
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	1,095	
96 Dividends and interest from securities			14	52	
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	8,155	
102 Gross profit or (loss) from sales of inventory			03	2,180	
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				11,482	201,361
105 Total (add line 104, columns (B), (D), and (E))					212,843

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 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 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 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* Date: 12/12/07

Type or print name and title: **Beth L. Hennessy President**

Paid Preparer's Use Only

Preparer's signature: *Beth L. Hennessy* Date: 2/5/07

Check if self-employed:

Preparer's SSN or PTIN (See Gen. Inst. W): **309-66-8684**

Firm's name (or yours if self-employed), address, and ZIP + 4: **Beth L. Hennessy 32987 State Hwy 30, Lanesboro, MN 55949-9653**

EIN: _____ Phone no: (507) 875-2290

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 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions.)

OMB No. 1545-0047

2005

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

Employer identification number

Tapestry Folkdance Center

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 . ▶		0		

Part II-A 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, Saint Paul, MN 55113	Professional artistic services	65,455
Total number of others receiving over \$50,000 for professional services . ▶		1

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services . ▶		0

Part III Statements About Activities (See page 2 of the instructions.)		Yes	No
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 i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		✓
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		✓
b	Lending of money or other extension of credit?		✓
c	Furnishing of goods, services, or facilities?		✓
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	✓	
e	Transfer of any part of its income or assets?		✓
3a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		✓
b	Do you have a section 403(b) annuity plan for your employees?		✓
c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		✓
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		✓
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		✓

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 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)(iv).
- 9** A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(v). 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)(vi). (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)(vii). (Also complete the **Support Schedule** in Part IV-A.)
- 11b** A community trust. Section 170(b)(1)(A)(viii). (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)** sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: Type 1 Type 2 Type 3

Provide the following information about the supported organizations. (See page 6 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 6 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	46,059	128,016	39,415	61,524	275,014
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	188,060	203,833	224,614	188,524	805,031
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	81	16,777	17	1,164	1,278
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	234,200	331,865	264,046	251,212	1,081,323
24 Line 23 minus line 17	46,140	128,032	39,432	62,688	276,292
25 Enter 1% of line 23	2,342	3,319	2,640	2,512	

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	26a
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 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts		26b
c Total support for section 509(a)(1) test: Enter line 24, column (e)		26c
d Add: Amounts from column (e) for lines:	18 _____ 19 _____ 22 _____ 26b _____	26d
e Public support (line 26c minus line 26d total)		26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		26f %

27 Organizations described on line 12: **a** For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:

(2004) 5,877 (2003) 18,081 (2002) 3,730 (2001) 1,935

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:

(2004) Not applicable (2003) Not applicable (2002) Not applicable (2001) Not applicable

c Add: Amounts from column (e) for lines:	15 <u>275,014</u> 16 <u>0</u> 17 <u>805,031</u> 20 <u>0</u> 21 <u>0</u>	27c	1,080,045
d Add: Line 27a total.	<u>29,623</u> and line 27b total <u>0</u>	27d	29,623
e Public support (line 27c total minus line 27d total).		27e	1,050,422
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)		27f	1,081,323
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))		27g	97 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))		27h	0.001 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?.	33g	
h	Other extracurricular activities?.	33h	
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 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

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

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
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) 2005	(b) 2004	(c) 2003	(d) 2002	(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
Spring Gala and Auction	\$ 11,381	\$ 5	\$ 11,376	\$ 3,221	\$ 8,155
TOTAL	\$ 11,381	\$ 5	\$ 11,376	\$ 3,221	\$ 8,155

Part I, Line 10.c.

Sale Item	Gross Sales	Cost of Goods Sold*	Gross Profit
Concessions	\$ 2,690	\$ 714	\$ 1,977
T-Shirts, etc.	\$ 203	\$ -	\$ 203
TOTAL	\$ 2,893	\$ 714	\$ 2,180

* The cost of all sale items are booked at the time of purchase.

Part I, Line 20.

Tapestry held a fundraising campaign for funds to repair the building and to pay off debt. Pledges receivable are due over 3 years. In 2005-06, we reported \$5,725 in uncollectible pledge receivables.

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.

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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	\$ 1,101	\$ 1,101	\$ -
Admission desk	\$ 1,200	\$ 1,200	\$ -
Admission desk	\$ 1,200	\$ 1,200	\$ -
Center loudspeaker in main hall	\$ 1,223	\$ 1,223	\$ -
Speakers in main hall	\$ 2,139	\$ 2,139	\$ -
TOTAL Equipment	\$ 12,773	\$ 12,773	\$ -
Building, Land, and Renovations - 3748	\$ 752,416	\$ 137,463	\$ 614,954
TOTAL	\$ 765,190	\$ 150,236	\$ 614,954

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, 2006 was \$212,948.

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

Years ending June 30:	
2007	\$6,800
2008	<u>\$206,148</u>
	\$212,948

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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
Melissa Mathews 898 Raymond Ave. St. Paul, MN 55114	Executive Director 40 hours/week	\$33,668	\$720 health benefits	\$0
Janet Collins 4444 W. Lake Harriet Pkwy #1 Minneapolis, MN 55410	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Peter Dean 3240 Columbus Ave. S. Minneapolis, MN 55407	Secretary, Board of Directors 2 hours/week	\$0	\$0	\$0
Bob Dorff 6122 Cedar Lake Rd. St. Louis Park, MN 55416	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Theresa Mish 570 Selby Ave., #2 St. Paul, MN 55102	President, Board of Directors 2 hours/week	\$0	\$0	\$0
Jan Morse 518 SE 7th Street Minneapolis, MN 55414	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Robin Murie 1768 Ashland Avenue St. Paul, MN 55104	Vice President, Board of Directors 2 hours/week	\$0	\$0	\$0
Barbara Olson 85 N. Cretin Ave. S. St. Paul, MN 55104	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Susan Roeder 1718 Yorkshire Ave, St. Paul, MN 55116-2459	Vice President, Board of Directors 2 hours/week	\$0	\$0	\$0
Ken Scherber 874 Parkview Ave. St. Paul, MN 55117	Treasurer, Board of Directors 2 hours/week	\$0	\$0	\$0
Carol Siegel 5049 Aldrich Ave. S. Minneapolis, MN 55419	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Cynthia Sorenson 2414 Stevens Ave. Minneapolis, MN 55404	Secretary, Board of Directors 2 hours/week	\$0	\$0	\$0
Bob Walser 2308 Fremont Ave. S. Minneapolis, MN 55405	Member, Board of Directors 2 hours/week	\$0	\$0	\$0

Schedule A (Form 990) - 2005
Tapestry Folkdance Center
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Part III, 2d.

Tapestry pays compensation to a key employee: the Executive Director is a 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. Currently no employees are contributing to such a plan.