

Form **990**
Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2006
Open to Public Inspection

A For the 2006 calendar year, or tax year beginning , and ending

- 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

THE TAPROOT THEATRE

Number and street (or P.O. box if mail is not delivered to street address)

PO BOX 30946

Room/suite

City or town, state or country, and ZIP + 4

SEATTLE

WA 98113-0946

D Employer identification number
91-0971237

E Telephone number
206-781-9705

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 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.taproot.org**

J Organization type

(check only one) ☒ 501(c) (**3**) (insert no) ☐ 4947(a)(1) or ☐ 527

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

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **1,562,321**

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

1 Contributions, gifts, grants, and similar amounts received				
a Contributions to donor advised funds	1a			
b Direct public support (not included on line 1a)	1b	583,108		
c Indirect public support (not included on line 1a)	1c			
d Government contributions (grants) (not included on line 1a)	1d			
e Total (add lines 1a through 1d) (cash \$ 559,708 noncash \$ 23,400)	1e		583,108	
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		838,323	
3 Membership dues and assessments	3			
4 Interest on savings and temporary cash investments	4		1,027	
5 Dividends and interest from securities	5		111	
6a Gross rents	6a	97,412		
b Less rental expenses See Statement 1	6b	75,825		
c Net rental income or (loss). Subtract line 6b from line 6a	6c		21,587	
7 Other investment income (describe)	7			
8a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
b Less cost or other basis and sales expenses	8a			
c Gain or (loss) (attach schedule)	8b			
d Net gain or (loss). Combine line 8c, columns (A) and (B)	8c			
9 Special events and activities (attach schedule). If any amount is from gaming, check here ☐	9a	25,611		
a Gross revenue (not including \$ 107,818 of contributions reported on line 1b)	9b			
b Less direct expenses other than fundraising expenses	9c		25,611	
10a Gross sales of inventory, less returns and allowances	10a	16,729		
b Less cost of goods sold	10b	7,433		
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a Stmt 2	10c		9,296	
11 Other revenue (from Part VII, line 103)	11			
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		1,479,063	
13 Program services (from line 44, column (B))	13		740,133	
14 Management and general (from line 44, column (C))	14		572,303	
15 Fundraising (from line 44, column (D))	15		93,413	
16 Payments to affiliates (attach schedule)	16			
17 Total expenses. Add lines 16 and 44, column (A)	17		1,405,849	
18 Excess or (deficit) for the year. Subtract line 17 from line 12	18		73,214	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		583,021	
20 Other changes in net assets or fund balances (attach explanation) See Statement 3	20		-96,566	
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		559,669	

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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THE TAPROOT THEATRE**91-0971237**Page **2****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
22a Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here ☐	22a				
22b Other grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here ☐	22b				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule) See Statement 4	25a	204,035	42,844	161,191	
b Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b				
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	531,039	342,446	157,207	31,386
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28	67,127		67,127	
29 Payroll taxes	29	76,329	42,084	31,152	3,093
30 Professional fundraising fees	30				
31 Accounting fees	31	9,764		9,764	
32 Legal fees	32	693		693	
33 Supplies	33	27,678	1,817	23,309	2,552
34 Telephone	34	15,240	6,150	9,090	
35 Postage and shipping	35	20,988	13,513	4,510	2,965
36 Occupancy	36	43,970	13,914	30,056	
37 Equipment rental and maintenance	37	6,374	600	5,774	
38 Printing and publications	38	41,815	35,563	1,715	4,537
39 Travel	39	4,992	4,981	11	
40 Conferences, conventions, and meetings	40	20,474	10,809	7,887	1,778
41 Interest	41	176		176	
42 Depreciation, depletion, etc. (attach schedule)	42	27,715	26,832	883	
43 Other expenses not covered above (itemize) a See Statement 5	43a	307,440	198,580	61,758	47,102
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	1,405,849	740,133	572,303	93,413

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 \$ _____

Form 990 (2006) **THE TAPROOT THEATRE****91-0971237**Page **3****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?

► **See Statement 6****Program Service Expenses**

(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

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.)

- a FROM A RESIDENT THEATRE IN SEATTLE, WA, THE TAPROOT THEATRE PRODUCED SIX FULLY-MOUNTED PROFESSIONAL PRODUCTIONS IN 2006, SERVING MORE THAN 2,000 ANNUAL SUBSCRIBERS AND 7,000 SINGLE TICKET BUYERS. A TOTAL OF 183 PERFORMANCES WERE HELD, INCLUDING DISCOUNTED PERORMANCES FOR STUDENTS AND SENIORS.**

(Grants and allocations \$ **0**)If this amount includes foreign grants, check here ► ☐**509,144**

- b THE TAPROOT THEATRE TOURING COMPANY CONSISTS OF FIVE ACTORS WHO PERFORM PLAYS THAT ADDRESS THE PRESSING SOCIAL ISSUE OF BULLYING. DURING 2006, MORE THAN 68,000 STUDENTS HEARD THE MESSAGE THAT BULLYING BEHAVIOR IS NOT TO BE TOLERATED.**

(Grants and allocations \$ **0**)If this amount includes foreign grants, check here ► ☐**136,160**

- c THE TAPROOT THEATRE'S ACTING STUDIO CREATES A NURTURING ENVIRONMENT TO HELP YOUTH AND ADULT STUDENTS DEVELOP THEIR UNIQUE THEATRICAL TALENTS AND GIFTS. DURING 2006, THE ACTING STUDIO HELD MORE THAN 30 CLASSES AND RESIDENCIES, AND SERVED MORE THAN 600 STUDENTS.**

(Grants and allocations \$ **0**)If this amount includes foreign grants, check here ► ☐**94,829****d**

(Grants and allocations \$)

If this amount includes foreign grants, check here ► ☐

- e Other program services (attach schedule)**

(Grants and allocations \$)

If this amount includes foreign grants, check here ► ☐

- f Total of Program Service Expenses** (should equal line 44, column (B), Program services)

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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	23,358	155,725
	46 Savings and temporary cash investments	209,401	87,603
	47a Accounts receivable	7,169	
	b Less allowance for doubtful accounts	1,505	7,169
	48a Pledges receivable		
	b Less allowance for doubtful accounts		
	49 Grants receivable		43,750
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att schedule)		
	51a Other notes and loans receivable (attach schedule)		
	b Less allowance for doubtful accounts		
	52 Inventories for sale or use		
	53 Prepaid expenses and deferred charges	17,558	37,404
	54a Investments—publicly-traded securities		
	b Investments—other securities (attach schedule)		
	55a Investments—land, buildings, and equipment basis	1,483,783	
	b Less accumulated depreciation (attach schedule) See Statement 7	369,433	1,114,350
56 Investments—other (attach schedule)			
57a Land, buildings, and equipment basis			
b Less accumulated depreciation (attach schedule)			
58 Other assets, including program-related investments (describe See Statement 8)	11,388	12,775	
59 Total assets (must equal line 74) Add lines 45 through 58	1,522,759	1,458,776	
Liabilities	60 Accounts payable and accrued expenses	38,232	67,045
	61 Grants payable		
	62 Deferred revenue See Statement 9	202,920	212,405
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		
	64a Tax-exempt bond liabilities (attach schedule)		
	b Mortgages and other notes payable (attach schedule) See Worksheet	631,906	612,002
	65 Other liabilities (describe See Statement 10)	66,680	7,655
	66 Total liabilities. Add lines 60 through 65	939,738	899,107
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 67 through 69 and lines 73 and 74		
	67 Unrestricted	553,411	559,669
	68 Temporarily restricted	18,222	
	69 Permanently restricted	11,388	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 70 through 74		
	70 Capital stock, trust principal, or current funds		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	583,021	559,669
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,522,759	1,458,776

Yes	No
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See Statement 14

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Part VI **Other Information** (See the instructions)

and check whether it is ☐ exempt or ☐ nonexempt

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?		X
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?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
83b			
84a	Did the organization solicit any contributions or gifts 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?		
84b			
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?		
85a			
N/A	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		
85b			
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			
88a	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		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
88b			
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 0 , section 4912 0 , section 4955 0		
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		X
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		
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89e			
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89f			
g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89g			
90a	List the states with which a copy of this return is filed WA		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions)	90b	33
91a	The books are in care of GARY KINGSBURY 312 N 85TH ST Located at SEATTLE, WA	Telephone no	206-781-7905
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)?		
91b			X
	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		

Form 990 (2006) **THE TAPROOT THEATRE****91-0971237**Page **8****Part VI Other Information** (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States?

91c

X

If "Yes," enter the name of the foreign country ▶

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here

and enter the amount of tax-exempt interest received or accrued during the tax year ▶

92

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

Note: Enter gross amounts unless otherwise

indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a MAINSTAGE INCOME					588,636
b TOURING COMPANY					119,545
c ACTING STUDIO					81,956
d OTHER REVENUE					48,186
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					1,027
96 Dividends and interest from securities					111
97 Net rental income or (loss) from real estate					
a debt-financed property			41	6,837	
b not debt-financed property			30	14,750	
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					25,611
102 Gross profit or (loss) from sales of inventory					9,296
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		21,587	874,368
105 Total (add line 104, columns (B), (D), and (E))					895,955

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions)

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a	ADMISSION TO PRODUCTIONS EXPLORING THE MEANING OF LIFE
93b	SOCIAL ISSUE DRAMAS FOR STUDENT AND COMMUNITY AUDIENCES
93c	THEATRE-RELATED CLASSES FOR ALL AGES
93d	PROGRAM ADVERTISING AND OTHER THEATRE ACTIVITIES

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
N/A	%			
	%			
	%			
	%			

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

X

No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

Yes

X

No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

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Part XI **Information Regarding Transfers To and From Controlled Entities.** Complete only if the organization is a controlling organization as defined in section 512(b)(13)

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

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

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

Yes	No
	X

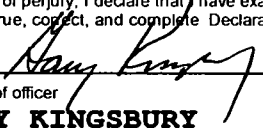
	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

**Please
Sign
Here**

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.

Signature of officer 
GARY KINGSBURY
Type or print name and title

TREASURER

Date **3-22-07**

**Paid
Preparer's
Use Only**

Preparer's signature  **SHARON I VIK**

Date **3/22/07**

Check if self-employed ☐

Preparer's SSN or PTIN (See Gen Instr X) **P00082918**

Firm's name (or yours if self-employed), address, and ZIP + 4 **Sharon Vik CPA, PS
1109 NE 175th St
Seattle, WA 98155-5133**

EIN **91-1779006**
Phone no **206-364-8725**

Form **990** (2006)

SCHEDULE A
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**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

OMB No 1545-0047

2006**Supplementary Information-(See separate instructions.)**▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

THE TAPROOT THEATRE

Employer identification number

91-0971237**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 2 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) Comp	(d) Contrib to empl ben plans & deferred comp	(e) Expense account & other allowances
NONE				
Total number of other employees paid over \$50,000 ▶				

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
NONE		
Total number of others receiving over \$50,000 for professional services ▶		

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 ▶		

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2006

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)		X
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? See Statement 16	X	
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V, Form 990	X	
e Transfer of any part of its income or assets?		X
3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)		X
b Did the organization have a section 403(b) annuity plan for its employees?		X
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b Did the organization make any taxable distributions under section 4966?		X
c Did the organization make a distribution to a donor, donor advisor, or related person?		X
d Enter the total number of donor advised funds owned at the end of the tax year		0
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts		0
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year		

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions)I certify that 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 otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization
- ☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total ►					

- 14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants and contributions received (Do not include unusual grants. See line 28.)	523,563	410,494	383,598	307,039	1,624,694
16 Membership fees received					0
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	636,244	631,244	589,234	595,573	2,452,295
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	81,122	5,375	2,988	246	89,731
19 Net income from unrelated business activities not included in line 18	34,907	19,069	20,316	34,126	108,418
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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.					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					0
23 Total of lines 15 through 22	1,275,836	1,066,182	996,136	936,984	4,275,138
24 Line 23 minus line 17	639,592	434,938	406,902	341,411	1,822,843
25 Enter 1% of line 23	12,758	10,662	9,961	9,370	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				0
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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					
c Total support for section 509(a)(1) test. Enter line 24, column (e).					
d Add Amounts from column (e) for lines 18, 19, 20, 21, 22					
e Public support (line 26c minus line 26d total)					
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					%
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:				
(2005)	102,290	(2004)	0	(2003)	0
(2002)					0
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.					
(2005)	0	(2004)	0	(2003)	10,039
(2002)					32,479
c Add Amounts from column (e) for lines 15, 16, 17, 18, 19, 20, 21, 22					
d Add Line 27a total and line 27b total					
e Public support (line 27c total minus line 27d total)					
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e).					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					%
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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 9 of the instructions.)**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		N/A	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 10 of the instructions)
(To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**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-		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
The lobbying nontaxable amount is-		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000		
\$225,000 plus 5% of the excess over \$1,500,000		
\$1,000,000		
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 13 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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 13 of the instructions) **N/A**

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

- 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

Yes	No	Amount

Forms
990 / 990-PF**Mortgages and Other Notes Payable****2006**

For calendar year 2006, or tax year beginning , and ending

Name

Employer Identification Number

THE TAPROOT THEATRE**91-0971237****Form 990, Part IV, Line 64b - Additional Information**

Name of lender	Relationship to disqualified person
(1) KEN RICHMOND	NONE
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 675,000	7/28/03	8/01/13	MONTHLY P&I	6.500
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) REAL PROPERTY AND EQUIPMENT	REFINANCE DEBT
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1) REAL PROPERTY	631,906	612,002
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	631,906	612,002

Federal Statements**Statement 1 - Form 990, Part I, Line 6b - Rental Expenses**

<u>Description</u>	<u>Deduction</u>
ERB BUILDING RENTALS	
Interest	40,488
Insurance	15,600
Cleaning & Maintenance	1,506
Taxes	5,106
Utilities	8,639
Depreciation	4,486
Total	<u>75,825</u>

Statement 2 - Form 990, Line 10c - Sales of Inventory

<u>Description</u>	<u>Gross Sales</u>	<u>COGS</u>	<u>Gross Profit</u>
CONCESSIONS	\$ 15,066	\$ 6,424	\$ 8,642
ENTERTAINMENT BOOKS	1,663	1,009	654
Total	<u>\$ 16,729</u>	<u>\$ 7,433</u>	<u>\$ 9,296</u>

Statement 3 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances

<u>Description</u>	<u>Amount</u>
Net Unrealized Gains on Investments	\$ 1,387
Prior Year Adjustments Included on Return	-97,953
Total	<u>\$ -96,566</u>

Federal Statements**Statement 4 - Form 990, Part II, Line 25a - Compensation of Current Officers**

<u>Name</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
Expenses	\$	\$	\$
KINGSBURY, GARY Compensation		42,875	
LUND, KAREN Compensation	300	38,431	
LUND, MARK Compensation	38,762		
NOLTE, PAM Compensation	3,782	28,845	
NOLTE, SCOTT Compensation		51,040	
Total	\$ 42,844	\$ 161,191	\$ 0

Federal Statements**Statement 5 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
Expenses	\$	\$	\$	\$
CONTRACT PERFORMERS & TEACHER	27,039	25,245	194	1,600
ROYALTIES	44,981	44,887	94	
ADVERTISING	78,317	70,533	2,582	5,202
OTHER EXPENSES	126,488	57,915	58,888	9,685
OTHER FUNDRAISING EXPENSES	30,615			30,615
Total	\$ 307,440	\$ 198,580	\$ 61,758	\$ 47,102

Statement 6 - Form 990, Part III - Organization's Primary Exempt Purpose

TO PRESENT DRAMAS THAT EXPLORE THE MEANING OF LIFE AND THE
REASON FOR HOPE

Federal Statements**Statement 7 - Form 990, Part IV, Line 55 - Investments in Land, Buildings, and Equipment**

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
LAND, MAINSTAGE THEATRE	\$ 46,805	\$	\$ 46,805	\$
BUILDING, MAINSTAGE THEATRE	103,195	45,865	103,195	48,511
IMPROVEMENTS, MAINSTAGE THEATRE	515,052	121,727	515,052	134,934
LIGHTING EQUIPMENT	59,210	53,991	59,210	57,357
SOUND EQUIPMENT	41,192	37,416	41,192	41,192
THEATRE FURNISHINGS	32,043	20,624	32,043	23,766
OTHER THEATRE EQUIPMENT	11,908	11,213	11,908	11,908
ADMIN OFFICE IMPROVEMENTS	9,645	1,154	9,645	1,401
ADMIN OFFICE EQUIPMENT	3,411	3,156	49,108	3,792
VEHICLES	18,376	18,376	18,376	18,376
LAND HELD FOR EXPANSION	422,312		422,312	
BUILDING HELD FOR DEVELOPMENT	174,937	23,710	174,937	28,196
INITIAL AUDIT YEAR COST ADJUSTMENT	348,046	189,351	0	
Total	\$ 1,786,132	\$ 526,583	\$ 1,483,783	\$ 369,433

Statement 8 - Form 990, Part IV, Line 58 - Other Assets

Description	Beginning of Year	End of Year
BENEFICIAL INTEREST IN NET ASSETS OF THE SEATTLE FOUNDATION	\$ 11,388	\$ 12,775
Total	\$ 11,388	\$ 12,775

Statement 9 - Form 990, Part IV, Line 62 - Deferred Revenue

Description	Beginning of Year	End of Year
DEFERRED REVENUE	\$ 202,920	\$ 212,405
Total	\$ 202,920	\$ 212,405

Statement 10 - Form 990, Part IV, Line 65 - Other Liabilities

Description	Beginning of Year	End of Year
OTHER LIABILITIES	\$ 60,000	\$
RENT DEPOSITS	6,680	7,655
Total	\$ 66,680	\$ 7,655

Federal Statements**Statement 11 - Form 990, Part IV-A - Other Revenue Included on Return**

Description	Amount
CONCESSIONS PURCHASES	\$ -6,424
ENTERTAINMENT BOOK PURCHASES	-1,009
RENTAL PROPERTY EXPENSES	-75,825
Total	\$ -83,258

Statement 12 - Form 990, Part IV-B - Other Expenses included on Return

Description	Amount
CONCESSIONS PURCHASES	\$ -6,424
ENTERTAINMENT BOOK COST	-1,009
RENTAL PROPERTY BUILDING EXPENSES	-75,825
Total	\$ -83,258

Federal Statements

Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key

Employees

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
LYLE CORBIN PO BOX 30946 SEATTLE WA 98113-0946	SECRETARY	2	0	0	0
DON GILKISON PO BOX 30946 SEATTLE WA 98113-0946	BOARD MEMBER	2	0	0	0
MICHAEL JAMES PO BOX 30946 SEATTLE WA 98113-0946	BOARD MEMBER	2	0	0	0
GARY KINGSBURY PO BOX 30946 SEATTLE WA 98113-0946	TREASURER	40	42,875	0	0
GARY MASSINGILL PO BOX 30946 SEATTLE WA 98113-0946	BOARD MEMBER	2	0	0	0
DENNIS MCCURLEY PO BOX 30946 SEATTLE WA 98113-0946	CHAIRMAN	5	0	0	0
DAVID MORTON PO BOX 30946 SEATTLE WA 98113-0946	BOARD MEMBER	2	0	0	0
GEORGE MYERS PO BOX 30946 SEATTLE WA 98113-0946	BOARD MEMBER	2	0	0	0
SCOTT NOLTE PO BOX 30946 SEATTLE WA 98113-0946	PRESIDENT	40	66,820	0	0

Federal Statements

Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
PAM NOLTE PO BOX 30946 SEATTLE WA 98113-0946	DEVELOPMENT	10	32,627	0	0
JOHN PUTNAM PO BOX 30946 SEATTLE WA 98113-0946	BOARD MEMBER	2	0	0	0
RANDY ROWLAND PO BOX 30946 SEATTLE WA 98113-0946	BOARD MEMBER	2	0	0	0
SUSAN RUTHERFORD PO BOX 30946 SEATTLE WA 98113-0946	BOARD MEMBER	2	0	0	0
GEORGE SCRANTON PO BOX 30946 SEATTLE WA 98113-0946	VICE CHAIR	2	0	0	0
SARAH SIMPSON PO BOX 30946 SEATTLE WA 98113-0946	BOARD MEMBER	2	0	0	0
DAN VOETMANN PO BOX 30946 SEATTLE WA 98113-0946	BOARD MEMBER	2	0	0	0
ROB ZAWOYSKI PO BOX 30946 SEATTLE WA 98113-0946	BOARD MEMBER	2	0	0	0
MARK LUND PO BOX 30946 SEATTLE WA 98113-0946	PRODUCTION	40	38,762	0	0

TTC2006 THE TAPROOT THEATRE

91-0971237

FYE: 12/31/2006

Federal Statements

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Statement 13 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
KAREN LUND PO BOX 30946 SEATTLE WA 98113-0946	ASSOC DIRECT	40	38,731	0	0

TTC2006 THE TAPROOT THEATRE

91-0971237

FYE: 12/31/2006

Federal Statements

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Statement 14 - Form 990, Part V-A, Line 75b - Related Party Information

Related Party One	Related Party Two	Relationship
SCOTT NOLTE CEO	PAM NOTLE SPECIAL PROJ	MARRIED
MARK LUND PRODUCTION	KAREN LUND ASSOC DIRECT	MARRIED

Federal Statements**Statement 15 - Form 990, Part VI, Line 81a - Political Expenditures**

Description		Amount
NONE		\$
Total		\$ 0

Federal Statements**Statement 16 - Schedule A, Part III, Line 2a - Sale, Exchange, or Lease of Property**Description

A MEMBER OF THE BOARD OF DIRECTORS IS ALSO A MEMBER OF MANAGEMENT FOR THE ORGANIZATION THAT RENTS SPACE FROM THE TAPROOT THEATRE UNDER OPERATING LEASE ARRANGEMENTS. TOTAL RENTAL INCOME IN 2006 UNDER THESE ARRANGEMENTS WAS \$29,875, AND WAS EQUAL TO OR HIGHER THAN RENTS OBTAINED UNDER OPERATING LEASES WITH NONRELATED PARTIES