

2006

Open to Public Inspection

Form 990

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

Department of the Treasury Internal Revenue Service

A For the 2006 calendar year, or tax year beginning July 1, 2006, and ending June 30, 2007

- 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. Address: 3748 Minnehaha Avenue, Minneapolis, MN 55406-2668

D Employer identification number: 41-1459618. E Telephone number: (612) 722-2914. F Accounting method: Accrual

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? No. H(b) If "Yes," enter number of affiliates. H(c) Are all affiliates included? No. H(d) Is this a separate return filed by an organization covered by a group ruling? 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)

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: 260,770

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

Table with 21 rows and 4 columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses; 9c Net income or (loss); 10a Gross sales of inventory; 10b Less: cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

SCANNED MAR 10 2008 Revenue

RECEIVED FEB 25 2008 OGDEN, UT

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 \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	40,132	9,880	20,372	9,880
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	71,409	68,003	3,406	0
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	32,492	21,435	9,632	1,426
27	Pension plan contributions not included on lines 25a, b, and c				
28	Employee benefits not included on lines 25a - 27	5,652	2,933	1,914	805
29	Payroll taxes	5,616	2,382	2,306	928
30	Professional fundraising fees				
31	Accounting fees	2,900	0	2,900	0
32	Legal fees				
33	Supplies	4,964	2,125	2,839	0
34	Telephone	2,180	1,744	327	109
35	Postage and shipping	2,959	2,711	248	0
36	Occupancy	21,447	20,608	629	210
37	Equipment rental and maintenance	2,870	2,755	86	29
38	Printing and publications	2,640	2,640	0	0
39	Travel	2,065	2,065	0	0
40	Conferences, conventions, and meetings				
41	Interest	14,212	13,704	381	127
42	Depreciation, depletion, etc. (attach schedule)	22,476	21,577	674	225
43	Other expenses not covered above (itemize):				
a	Artist Fees not included in line 25b(B)	47,639	47,639	0	0
b	Bad debts	7,755	0	7,755	0
c	Insurance	7,509	4,266	3,243	0
d	Miscellaneous	2,621	1,601	1,020	0
e					
f					
g					
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	299,538	228,068	57,731	13,739

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? ► See attached schedule	Program Service Expenses
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.)	<small>(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others.)</small>
<p>a <u>Tapestry offers folk dancing events, which include instruction in folk dance, recreational dancing, performance of folk dance and music, and ethnic celebrations. In 2006-07 our attendance exceeded 35,000.</u></p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	223,507
<p>b <u>Tapestry is a resource for information about local and national folk dance teachers, musicians, performing groups, and events. Phone and electronic requests for information was estimated at 3,250 for the year. Our web site was accessed by an average of over 2,500 unique visitors each month.</u></p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	4,561
<p>c</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>d</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>e Other program services (attach schedule)</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services). ►</p>	228,068

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	64,905	45	1,775
	46 Savings and temporary cash investments	0	46	78,639
	47a Accounts receivable	1,017		
	b Less: allowance for doubtful accounts	0	1,712	1,017
	48a Pledges receivable	7,755		
	b Less: allowance for doubtful accounts	7,755	13,484	0
	49 Grants receivable	27,500	49	0
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	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	
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a	
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
	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)	172,712	614,954	592,477
58 Other assets, including program-related investments (describe ▶)		58		
59 Total assets (must equal line 74). Add lines 45 through 58		722,555	59	673,908
Liabilities	60 Accounts payable and accrued expenses	2,713	60	3,678
	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)	212,948	205,736	
	65 Other liabilities (describe ▶)		65	
	66 Total liabilities. Add lines 60 through 65		215,661	66
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	479,394	67	464,494
	68 Temporarily restricted	27,500	68	0
	69 Permanently restricted	0	69	0
	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 and column (B) must equal line 21)		506,894	73	464,494
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		722,555	74	673,908

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?	<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			65,300
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
83b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> 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"/>
84b	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"/>
85c	Dues, assessments, and similar amounts from members		
85d	Section 162(e) lobbying and political expenditures		
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	<input type="checkbox"/>	<input type="checkbox"/>
85h	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	
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
88b	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	<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"/> 0 ; section 4912 <input type="checkbox"/> 0 ; section 4955 <input type="checkbox"/> 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	89b	<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"/> not applicable		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/> not applicable		
89e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
89f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
89g	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?	<input type="checkbox"/>	<input type="checkbox"/>
90a	List the states with which a copy of this return is filed <input type="checkbox"/> Minnesota		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	3
91a	The books are in care of <input type="checkbox"/> Tapestry Folkdance Center Telephone no. <input type="checkbox"/> (612) 722-2914 Located at <input type="checkbox"/> 3748 Minnehaha Avenue, Minneapolis, MN ZIP + 4 <input type="checkbox"/> 55406-2668		
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 <input type="checkbox"/> _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	<input checked="" type="checkbox"/>

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** Yes No
 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 Workshops and dances					187,261
b Dance group rehearsals and classes					24,061
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	3,077	
96 Dividends and interest from securities					
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	4,491	
102 Gross profit or (loss) from sales of inventory			03	944	
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				8,512	211,321
105 Total (add line 104, columns (B), (D), and (E))					219,833

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	Workshops and dances provide opportunities for folk dance arts and education.
93b	These rehearsals and classes provide dance education and artistic development.

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
Not applicable	%			
	%			
	%			
	%			

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).

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

	(A) Name, address, of each controlled entity	(B) Employer Identification 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

	(A) Name, address, of each controlled entity	(B) Employer Identification 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

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: Kenneth Scherber, Treasurer Date: 2/13/08

Type or print name and title: Kenneth Scherber, Treasurer

Paid Preparer's Use Only

Preparer's signature: Beth L. Hennessy Date: 2/10/08 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: Beth L. Hennessy EIN: 309-66-8684

32987 State Hwy 30, Lanesboro, MN 55949 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

OMB No 1545-0047

2006

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 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) 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., St. Paul, MN 55113	Professional artistic services	65,097
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)

1		✓
----------	--	---

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?

2a		✓
-----------	--	---

b Lending of money or other extension of credit?

2b		✓
-----------	--	---

c Furnishing of goods, services, or facilities?

2c		✓
-----------	--	---

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d	✓	
-----------	---	--

e Transfer of any part of its income or assets?

2e		✓
-----------	--	---

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.)

3a		✓
-----------	--	---

b Did the organization have a section 403(b) annuity plan for its employees?

3b	✓	
-----------	---	--

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

3c		✓
-----------	--	---

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d		✓
-----------	--	---

4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g

4a		✓
-----------	--	---

b Did the organization make any taxable distributions under section 4966?

4b		
-----------	--	--

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c		
-----------	--	--

d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____

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 ▶ _____ **0**

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.)	99,679	46,059	128,016	39,415	313,169
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	211,696	188,060	203,833	224,614	828,203
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	1,147	81	16	17	1,261
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	312,522	234,200	331,865	264,046	1,142,633
24 Line 23 minus line 17	100,826	46,140	128,032	39,432	314,430
25 Enter 1% of line 23	3,125	2,342	3,319	2,640	

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 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 ▶ 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:

(2005) 2,585 (2004) 5,877 (2003) 18,081 (2002) 3,730

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

c Add. Amounts from column (e) for lines 15 313,169 16 0 17 828,203 20 0 21 0 ▶ 27c 1,141,372

d Add. Line 27a total 30,273 and line 27b total 0 ▶ 27d 30,273

e Public support (line 27c total minus line 27d total) ▶ 27e 1,111,099

f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) . ▶ 27f 1,142,633

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ 27g 97.2 %

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)). ▶ 27h 0.1 %

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)

		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 10 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	
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.)

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	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
c Media advertisements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
d Mailings to members, legislators, or the public	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
e Publications, or published or broadcast statements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
f Grants to other organizations for lobbying purposes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
g Direct contact with legislators, their staffs, government officials, or a legislative body	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
i Total lobbying expenditures (Add lines c through h.)			0

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

Form 990 - 2006
Tapestry Folkdance Center
EIN 41-1459618

Part I, Line 9.

Special Events and Activities	Gross Receipts	Contributions	Gross Revenue	Direct Expenses	Net Income
Secondhand Ball	\$ 8,123	\$ -	\$ 8,123	\$ 3,632	\$ 4,491
TOTAL	\$ 8,123	\$ -	\$ 8,123	\$ 3,632	\$ 4,491

Part I, Line 10c.

Sale Item	Gross Sales	Cost of Goods Sold*	Gross Profit
Concessions	\$ 503	\$ -	\$ 503
T-Shirts, etc.	\$ 441	\$ -	\$ 441
TOTAL	\$ 944	\$ -	\$ 944

* The cost of all sale items are booked at the time of purchase, all prior to this year.

Part II, Line 25a.

Compensation of current officers, directors, and key employees.

Name	Compensation	Contributions to employee benefit plans & deferred compensation plans	Expense account and other allowances
Melissa Mathews	\$40,132	\$2,612 health benefits	\$0
Jan Morse	25*	\$0	\$0

*For professional artistic services as a folk dance teacher

Part II, Line 25b.

Compensation of former officers, directors, and key employees.

Name	Compensation	Contributions to employee benefit plans & deferred compensation plans	Expense account and other allowances
Bob Anholt	\$76	\$0	\$0
Cindy Gardner	\$32,549	\$0	\$0
Terry Gardner	\$32,549	\$0	\$0
Dan Garvin	\$374	\$0	\$0
Beth Hennessy	\$3,406	\$0	\$0
Ted Hodapp	\$185	\$0	\$0
Terry McGibbon	\$267	\$0	\$0
John Miller	\$90	\$0	\$0
Robin Nelson	\$1,252	\$0	\$0
Larry Tawil	\$75	\$0	\$0
Bob Walser	\$586	\$0	\$0

Form 990 - 2006
Tapestry Folkdance Center
EIN 41-1459618

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 building and renovations over a 30-year period, taking 3.33% of the original value each year.

Part III, Primary Exempt Purpose

To provide opportunities for participating in the joys of dance and music from around the world.

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	\$ 1,200	\$ -
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 Minnehaha	\$ 752,416	\$ 159,939	\$ 592,477
TOTAL	\$ 765,190	\$ 172,713	\$ 592,477

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 is due May 27, 2008. The outstanding balance at June 30, 2007 was \$205,736. Management expects to refinance the loan balance May 2008 with terms similar to the current terms.

Form 990 - 2006
Tapestry Folkdance Center
EIN 41-1459618

Part V-A.

Current 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 3748 Minnehaha Avenue Minneapolis, MN 55406	Executive Director 40 hours/week	\$40,132	\$2,612 health benefits	\$0
Janet Collins 3748 Minnehaha Avenue Minneapolis, MN 55406	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Kian Dwyer 3748 Minnehaha Avenue Minneapolis, MN 55406	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Eileen Johnson 3748 Minnehaha Avenue Minneapolis, MN 55406	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Steve Johnson 3748 Minnehaha Avenue Minneapolis, MN 55406	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Jan Morse 3748 Minnehaha Avenue Minneapolis, MN 55406	President, Board of Directors 2 hours/week	\$25	\$0	\$0
Robin Murie 3748 Minnehaha Avenue Minneapolis, MN 55406	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Barbara Olson 3748 Minnehaha Avenue Minneapolis, MN 55406	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Mark Schader 3748 Minnehaha Avenue Minneapolis, MN 55406	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Ken Scherber 3748 Minnehaha Avenue Minneapolis, MN 55406	Treasurer, Board of Directors 2 hours/week	\$0	\$0	\$0
Carol Siegel 3748 Minnehaha Avenue Minneapolis, MN 55406	Member, Board of Directors 2 hours/week	\$0	\$0	\$0
Cynthia Sorenson 3748 Minnehaha Avenue Minneapolis, MN 55406	Secretary, Board of Directors 2 hours/week	\$0	\$0	\$0

Form 990 - 2006
Tapestry Folkdance Center
EIN 41-1459618

Part V-B.

Former Officers, Directors, Trustees, and Key Employees That Received Compensation*

(A) Name and Address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense allowance and other allowances
Bob Anholt 3748 Minnehaha Avenue Minneapolis, MN 55406	\$0	\$76	\$0	\$0
Cindy Gardner (TC Swing, LLC) 3748 Minnehaha Avenue Minneapolis, MN 55406	\$0	\$32,549	\$0	\$0
Terry Gardner (TC Swing, LLC) 3748 Minnehaha Avenue Minneapolis, MN 55406	\$0	\$32,549	\$0	\$0
Dan Garvin 3748 Minnehaha Avenue Minneapolis, MN 55406	\$0	\$374	\$0	\$0
Beth Hennessy 3748 Minnehaha Avenue Minneapolis, MN 55406	\$0	\$3,406	\$0	\$0
Ted Hodapp 3748 Minnehaha Avenue Minneapolis, MN 55406	\$0	\$185	\$0	\$0
Terry McGibbon 3748 Minnehaha Avenue Minneapolis, MN 55406	\$0	\$267	\$0	\$0
John Miller 3748 Minnehaha Avenue Minneapolis, MN 55406	\$0	\$90	\$0	\$0
Robin Nelson 3748 Minnehaha Avenue Minneapolis, MN 55406	\$0	\$1,252	\$0	\$0
Larry Tawil 3748 Minnehaha Avenue Minneapolis, MN 55406	\$0	\$75	\$0	\$0
Bob Walser 3748 Minnehaha Avenue Minneapolis, MN 55406	\$0	\$586	\$0	\$0

*Board members serve for three-year terms and represent dance communities at Tapestry. Some of the board members are also independent teachers, callers, and musicians.

Schedule A (Form 990) - 2006
Tapestry Folkdance Center
EIN 41-1459618

Part III, 2d.

Tapestry pays compensation to a key employee: the Executive Director is a salaried position.

Part III, 3b.

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.