

Return of Organization Exempt From Income Tax

2005

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

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

A For the 2005 calendar year, or tax year beginning, 2005, 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.

LIBRARY FOUNDATION OF HENNEPIN COUNTY
12601 RIDGEDALE DRIVE
MINNETONKA, MN 55305

D Employer Identification Number

36-3579536

E Telephone number

F Accounting method:

- Cash
[X] Accrual
Other (specify)

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

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates? Yes No [X]

H (b) If 'Yes,' enter number of affiliates

H (c) Are all affiliates included? Yes No

H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No [X]

G Web site: HTTP://WWW.HCLIB.ORG/PUB/

J Organization type (check only one)

[X] 501(c) 3 (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

I Group Exemption Number

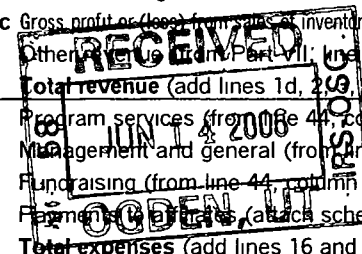
M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 536,240.

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

Table with 21 main rows and sub-rows (a-c) for revenue and expenses. Includes columns for description, sub-row labels (1a-1c, 2, 3, 4, 5, 6a-6c, 7, 8a-8c, 9a-9c, 10a-10c, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21), and amounts.

SCANNED JUL 31 2006



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.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22			
23	Specific assistance to individuals (att sch)	23			
24	Benefits paid to or for members (att sch)	24			
25	Compensation of officers, directors, etc	25	0.	0.	0.
26	Other salaries and wages	26	4,500.	2,539.	797.
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33	2,405.	1,381.	416.
34	Telephone	34			
35	Postage and shipping	35	3,023.	1,756.	514.
36	Occupancy	36	11,292.	6,371.	2,001.
37	Equipment rental and maintenance	37			
38	Printing and publications	38	35,062.	30,317.	1,926.
39	Travel	39	11,967.	11,482.	197.
40	Conferences, conventions, and meetings	40	1,164.	657.	206.
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42			
43	Other expenses not covered above (itemize):				
a	SEE STATEMENT 3	43a	388,250.	373,374.	12,843.
b	-----	43b			
c	-----	43c			
d	-----	43d			
e	-----	43e			
f	-----	43f			
g	-----	43g			
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	457,663.	427,877.	18,900.

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

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 4

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)

a SEE STATEMENT 5

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

427,877.

b

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

c

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

d

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

e Other program services.

(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) ▶

427,877.

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Part IV Balance Sheets (See 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	215,625.	45	103,501.	
	46 Savings and temporary cash investments	117,580.	46	247,788.	
	47a Accounts receivable	47a			
	b Less: allowance for doubtful accounts	47b		47c	
	48a Pledges receivable	48a 23,987.			
	b Less: allowance for doubtful accounts	48b	23,537.	48c 23,987.	
	49 Grants receivable			49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a Other notes & loans receivable (attach sch)	51a			
	b Less: allowance for doubtful accounts	51b		51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges	18,750.	53	1,295.	
	54 Investments — securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	196,183.	54	302,159.
	55a Investments — land, buildings, & equipment: basis	55a			
	b Less: accumulated depreciation (attach schedule)	55b		55c	
	56 Investments — other (attach schedule)			56	
	57a Land, buildings, and equipment: basis	57a			
b Less: accumulated depreciation (attach schedule)	57b		57c		
58 Other assets (describe ► _____)			58		
59 Total assets (must equal line 74) Add lines 45 through 58	571,675.	59	678,730.		
LIABILITIES	60 Accounts payable and accrued expenses	12,149.	60	22,347.	
	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)		64b		
	65 Other liabilities (describe ► <u>SEE STATEMENT 6</u>)	33,612.	65	52,991.	
66 Total liabilities. Add lines 60 through 65	45,761.	66	75,338.		
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	307,313.	67	324,383.	
	68 Temporarily restricted	168,314.	68	228,722.	
	69 Permanently restricted	50,287.	69	50,287.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	525,914.	73	603,392.	
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	571,675.	74	678,730.	

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Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	712,316.
b	Amounts included on line a but not on Part I, line 12:			
	1 Net unrealized gains on investments	b1	2,254.	
	2 Donated services and use of facilities	b2	177,175.	
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	179,429.
c	Subtract line b from line a		c	532,887.
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and d		e	532,887.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements		a	634,838.
b	Amounts included on line a but not on Part I, line 17:			
	1 Donated services and use of facilities	b1	177,175.	
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	177,175.
c	Subtract line b from line a		c	457,663.
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	457,663.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 7		0.	0.	0.

Part VI Other Information (continued)

		Yes	No
82 a	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)		
82 b	N/A		
83 a	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	
83 b			
84 a	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?		
84 b	N/A		
85 a	501(c)(4), (5), or (6) organizations. Were substantially all dues nondeductible by members?	N/A	
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	N/A	
85 b			
c	Dues, assessments, and similar amounts from members	N/A	
85 c			
d	Section 162(e) lobbying and political expenditures	N/A	
85 d			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85 e			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85 f			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85 g			
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?	N/A	
85 h			
86 a	501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12.	N/A	
86 a			
b	Gross receipts, included on line 12, for public use of club facilities	N/A	
86 b			
87 a	501(c)(12) organizations Enter: a Gross income from members or shareholders	N/A	
87 a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	N/A	
87 b			
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
89 a	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) organizations 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
89 b			
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.
90 a	List the states with which a copy of this return is filed ▶ MN		
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions)	90 b	0
91 a	The books are in care of ▶ JANE JOHNSON Telephone number ▶ 952-847-8637 Located at ▶ 12601 RIDGEDALE DRIVE, MINNETONKA MN ZIP + 4 ▶ 55305		
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. ▶	Yes	No
91 b			X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements		
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If 'Yes,' enter the name of the foreign country. ▶		X
91 c			
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	N/A	N/A

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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 PEN PALS					192,740.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies.					
94 Membership dues and assessments.					
95 Interest on savings & temporary cash invmnts			14	7,028.	
96 Dividends & 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 pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b			1	1,461.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				8,489.	192,740.
105 Total (add line 104, columns (B), (D), and (E))					201,229.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	TICKETS SOLD FOR THE PEN PALS SERIES, A PROGRAM IN WHICH NATIONAL AUTHORS SPEAK, INVITING DISCUSSION AND RAISING INTEREST IN LITERARY MATTERS.

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 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)

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: Jane L. Johnson Date: 6/5/06

JANE JOHNSON, EXECUTIVE DIRECTOR
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: 6/2/06 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: CARPENTER EVERT & ASSOCIATES
7760 FRANCE AVE. S. #1340
BLOOMINGTON, MN 55435

Preparer's SSN or PTIN (See General Instruction W): P00041280

EIN: 41-1534805

Phone no: (952) 831-0085

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under
Section 501(c)(3)

OMB No 1545-0047

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

2005

Department of the Treasury
Internal Revenue Service

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

LIBRARY FOUNDATION OF HENNEPIN COUNTY

Employer identification number

36-3579536

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

(See 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 and 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 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 **▶ 0**

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 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 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. ▶ \$ <u>N/A</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
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?		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)?		X
e Transfer of any part of its income or assets?		X
3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)		X
b Do you have a section 403(b) annuity plan for your employees?		X
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See instructions)

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

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

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

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

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28)	277,186.	299,567.	187,840.	207,339.	971,932.
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	139,419.	204,370.	170,285.	188,862.	702,936.
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	1,218.	826.	7,995.	20,446.	30,485.
19 Net income from unrelated business activities not included in line 18					0.
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 SEE STMT 8	333.				333.
23 Total of lines 15 through 22	418,156.	504,763.	366,120.	416,647.	1,705,686.
24 Line 23 minus line 17	278,737.	300,393.	195,835.	227,785.	1,002,750.
25 Enter 1% of line 23	4,182.	5,048.	3,661.	4,166.	
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a 20,055.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 32,882.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 1,002,750.
d Add: Amounts from column (e) for lines:	18 30,485.	19			
	22 333.	26b 32,882.			26d 63,700.
e Public support (line 26c minus line 26d total)					26e 939,050.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 93.65 %
27 Organizations described on line 12: N/A					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year:					
(2004) _____ (2003) _____ (2002) _____ (2001) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:					
(2004) _____ (2003) _____ (2002) _____ (2001) _____					
c Add Amounts from column (e) for lines:	15 _____	16 _____			
	17 _____	20 _____	21 _____		
d Add: Line 27a total _____ and line 27b total _____					27c _____
e Public support (line 27c total minus line 27d total)					27d _____
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					27e _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27f _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27g _____ %
					27h _____ %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See 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?		
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 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		(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 –		
	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	41	
	\$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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

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

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.)

Yes	No	Amount

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

Application for Extension of Time to File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time – Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension – check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6-months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization		Employer identification number
	LIBRARY FOUNDATION OF HENNEPIN COUNTY		36-3579536
	Number, street, and room or suite number. If a P O box, see instructions		
	12601 RIDGEDALE DRIVE		
City, town or post office. For a foreign address, see instructions		state	ZIP code
MINNETONKA, MN 55305			

Check type of return to be filed (file a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

• The books are in the care of ▶ JANE JOHNSON -----

Telephone No. ▶ 952-847-8637 ----- FAX No. ▶ -----

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole** group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until 8/15, 2006, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year 2005 or

▶ tax year beginning _____, 20____, and ending _____, 20____

2 If this tax year is for less than 12 months, check reason. Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ _____ 0.

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ _____ 0.

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

CLIENT 012003

LIBRARY FOUNDATION OF HENNEPIN COUNTY

36-3579536

STATEMENT 1
FORM 990, PART I, LINE 8
NET GAIN (LOSS) FROM NONINVENTORY SALES

PUBLICLY TRADED SECURITIES

GROSS SALES PRICE: 3,353.
 COST OR OTHER BASIS: 3,353.

TOTAL GAIN (LOSS) PUBLICLY TRADED SECURITIES \$ 0.

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ 0.

STATEMENT 2
FORM 990, PART I, LINE 20
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

UNREALIZED GAIN ON INVESTMENTS

TOTAL \$ 2,254.
 \$ 2,254.

STATEMENT 3
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING AND PROMOTION	12,936.	12,717.		219.
BOOKS FOR RESALE	17,737.	17,737.		
DUES, SUBSCRIPTIONS & REF.	4,564.	2,574.	808.	1,182.
GUEST SPEAKERS	107,233.	105,981.	620.	632.
LIBRARY GRANTS	216,396.	216,396.		
MISCELLANEOUS	5,999.	5,465.	534.	
PROFESSIONAL FEES	20,609.	12,504.	8,105.	
STAFF DEVELOPMENT	2,776.		2,776.	
TOTAL	\$ <u>388,250.</u>	\$ <u>373,374.</u>	\$ <u>12,843.</u>	\$ <u>2,033.</u>

STATEMENT 4
FORM 990, PART III
ORGANIZATION'S PRIMARY EXEMPT PURPOSE

TO PROMOTE THE DEVELOPMENT AND TO IMPROVE THE SERVICE CAPABILITIES OF THE HENNEPIN COUNTY LIBRARY SYSTEM.

CLIENT 012003

LIBRARY FOUNDATION OF HENNEPIN COUNTY

36-3579536

**STATEMENT 5
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS**

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
LIBRARY SUPPORT - PROVIDES ADDITIONAL BOOKS, COLLECTIONS, MATERIALS, RESOURCES AND SERVICES TO THE HENNEPIN COUNTY LIBRARY SYSTEM. THIS PROGRAM ALSO SEEKS TO PROMOTE LITERACY AND ENCOURAGE ACCESS TO LIBRARY SERVICES BY DEVELOPING AND FUNDING READING PROGRAMS WITHIN THE LIBRARY SYSTEM. INCLUDES FOREIGN GRANTS: NO		242,693.
PEN PALS - A LECTURE SERIES WHICH FEATURES AUTHORS FROM AROUND THE COUNTRY. INCLUDES FOREIGN GRANTS: NO		185,184.
	<u>\$ 0.</u>	<u>\$ 427,877.</u>

**STATEMENT 6
FORM 990, PART IV, LINE 65
OTHER LIABILITIES**

DUE TO LIBRARIES	\$ 52,991.
TOTAL	<u>\$ 52,991.</u>

**STATEMENT 7
FORM 990, PART V-A
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES**

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
CHARLES P BRINK 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	\$ 0.	\$ 0.	\$ 0.
MARY MCVAY 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
BRUCE MCNEIL 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
ARLYS EDSON 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.

CLIENT 012003

LIBRARY FOUNDATION OF HENNEPIN COUNTY

36-3579536

STATEMENT 7 (CONTINUED)
 FORM 990, PART V-A
 LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
LUCIA DUFF 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	\$ 0.	\$ 0.	\$ 0.
MARTHA ANDERSON 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
MARTHA HEAD 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
JOHN C. HEITKAMP 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
BILL ROHLF 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
JANE JOHNSON 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	EXECUTIVE DIREC 0	0.	0.	0.
DIANE LADENSON 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
BECKY MALKERSON 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
CHARLIE MCCOY 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
MICHAEL O'ROURKE 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
VINOD PADHYE 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
LISA PEILEN 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.

CLIENT 012003

LIBRARY FOUNDATION OF HENNEPIN COUNTY

36-3579536

STATEMENT 7 (CONTINUED)
FORM 990, PART V-A
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN- SATION</u>	<u>CONTRI- BUTION TO EBP & DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
CINDY PAGE 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	\$ 0.	\$ 0.	\$ 0.
DONNA SCUDDER 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
CYNTHIA STEINKE 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
MARGARET TELFER 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
BRAD WALLIN 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
PEGGY WATSON 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
BARBARA BUTTS WILLIAMS 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
DAVID PRATT 12601 RIDGEDALE DRIVE MINNETONKA, MN 55305	DIRECTOR 0	0.	0.	0.
	TOTAL	\$ 0.	\$ 0.	\$ 0.

STATEMENT 8
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME

<u>DESCRIPTION</u>	<u>(A) 2004</u>	<u>(B) 2003</u>	<u>(C) 2002</u>	<u>(D) 2001</u>	<u>(E) TOTAL</u>
MISCELLANEOUS	\$ 333.	\$ 0.	\$ 0.	\$ 0.	\$ 333.
TOTAL	\$ 333.	\$ 0.	\$ 0.	\$ 0.	\$ 333.

PART IV BALANCE SHEETS
LINE 54

	2004	2005
	-----	-----
MONEY MARKET FUNDS	\$138,873	\$242,569
MUTUAL FUNDS	57,310	59,590
	-----	-----
	\$196,183	\$302,159
	=====	=====