

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

**2004**

Open to Public Inspection

**A** For the 2004 calendar year, or tax year beginning **7/01/04**, and ending **6/30/05**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions.	<b>C</b> Name of organization <b>MINNESOTA LIFE COLLEGE</b>	<b>D</b> Employer identification no <b>41-1814112</b>
		Number and street (or P O box if mail is not delivered to street address) Room/suite <b>7501 LOGAN AVENUE SOUTH</b>	<b>E</b> Telephone number <b>651-365-2356</b>
		City or town, state or country, and ZIP + 4 <b>RICHFIELD MN 55423</b>	<b>F</b> Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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)

**G** Website: **MINNESOTALIFECOLLEGE.COM**

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

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

**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **1,003,803**

H and I are not applicable to section 527 organizations

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes," enter number of affiliates **▶**

**H(c)** Are all affiliates included?  Yes  No (If "No" attach a list See instr)

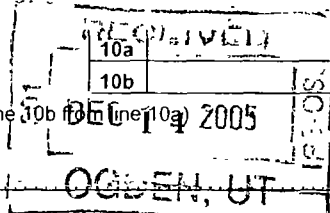
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Group Exemption Number **▶**

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

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See page 18 of the instructions)

R e v e n u e	<b>1</b> Contributions, gifts, grants, and similar amounts received				
	<b>a</b> Direct public support	<b>1a</b>	<b>255,183</b>		
	<b>b</b> Indirect public support	<b>1b</b>			
	<b>c</b> Government contributions (grants)	<b>1c</b>			
	<b>d</b> Total (add lines 1a through 1c) (cash \$ <b>255,183</b> noncash \$ _____)	<b>1d</b>			<b>255,183</b>
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>			<b>744,788</b>
	<b>3</b> Membership dues and assessments	<b>3</b>			
	<b>4</b> Interest on savings and temporary cash investments	<b>4</b>			<b>2,154</b>
	<b>5</b> Dividends and interest from securities	<b>5</b>			
	<b>6a</b> Gross rents	<b>6a</b>			
	<b>b</b> Less rental expenses	<b>6b</b>			
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>			
<b>7</b> Other investment income (describe <b>▶</b> )	<b>7</b>				
<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	<b>8a</b>				
	<b>8b</b>				
<b>b</b> Less cost or other basis and sales expenses	<b>8b</b>				
<b>c</b> Gain or (loss) (attach schedule)	<b>8c</b>				
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8d</b>				
<b>9</b> Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>					
<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)	<b>9a</b>				
<b>b</b> Less direct expenses other than fundraising expenses	<b>9b</b>				
<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	<b>9c</b>				
<b>10a</b> Gross sales of inventory less returns and allowances	<b>10a</b>				
<b>b</b> Less cost of goods sold	<b>10b</b>				
<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>				
<b>11</b> Other revenue (from Part VII line 103)	<b>11</b>			<b>1,678</b>	
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>			<b>1,003,803</b>	
E x p e n s e s	<b>13</b> Program services (from line 44 column (B))	<b>13</b>		<b>881,826</b>	
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>		<b>95,606</b>	
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>			
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>			
	<b>17</b> Total expenses (add lines 16 and 44, column (A))	<b>17</b>			<b>977,432</b>
A s s e t s	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>		<b>26,371</b>	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>		<b>115,240</b>	
	<b>20</b> Other changes in net assets or fund balances (attach explanation) <b>SEE STATEMENT 1</b>	<b>20</b>		<b>35,919</b>	
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>			<b>177,530</b>



SCANNED JAN 10 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. (See page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22	Grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____)	22				
23	Specific assistance to individuals	23				
24	Benefits paid to or for members	24				
25	Compensation of officers, directors, etc	25				
26	Other salaries and wages	26	476,153	58,625		
27	Pension plan contributions	27				
28	Other employee benefits	28	55,599	6,672		
29	Payroll taxes	29	40,993	4,919		
30	Professional fundraising fees	30				
31	Accounting fees	31	8,437	8,437		
32	Legal fees	32	300	264	36	
33	Supplies	33	6,076	4,933	1,143	
34	Telephone	34	7,195	6,732	463	
35	Postage and shipping	35				
36	Occupancy	36	100,352	98,468	1,884	
37	Equipment rental and maintenance	37	17,523	15,420	2,103	
38	Printing and publications	38	22,246	19,576	2,670	
39	Travel	39	2,078	1,829	249	
40	Conferences, conventions, and meetings	40				
41	Interest	41				
42	Depreciation, depletion, etc (attach schedule)	42	5,546	4,880	666	
43	Other expenses not covered above (itemize) a	43a				
	b <b>SEE STATEMENT 2</b>	43b	234,934	227,195	7,739	
	c	43c				
	d	43d				
	e	43e				
44	<b>Total functional expenses</b> (add lines 22 - 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	977,432	881,826	95,606	0

Joint Costs. Check  if you are following SOP 98-2

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

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

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

**Part III Statement of Program Service Accomplishments** (See page 25 of the instructions.)

What is the organization's primary exempt purpose?

**▶ PROVIDING LIVING SKILLS TO YOUNG ADULTS**

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) & (4) orgs. & 4947(a)(1) trusts but optional for others.)

a	<b>THE MN LIFE COLLEGE TEACHES LIVING SKILLS TO YOUNG ADULTS WITH LEARNING DISABILITIES</b>				
	(Grants and allocations \$ _____)				881,826
b					
	(Grants and allocations \$ _____)				
c					
	(Grants and allocations \$ _____)				
d					
	(Grants and allocations \$ _____)				
e	Other program services (attach schedule)				
	(Grants and allocations \$ _____)				
f	<b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)				881,826

**Part IV Balance Sheets** (See page 25 of the instructions.)

<b>Note:</b> 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
45	Cash-non-interest-bearing	90,814	45	173,715
46	Savings and temporary cash investments		46	10,400
47a	Accounts receivable			
b	Less allowance for doubtful accounts		47c	
48a	Pledges receivable			
b	Less allowance for doubtful accounts	25,000	48c	
49	Grants receivable		49	
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
51a	Other notes and loans receivable (attach schedule)			
b	Less allowance for doubtful accounts		51c	
52	Inventories for sale or use		52	
53	Prepaid expenses and deferred charges	17,714	53	21,722
54	Investments-securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
55a	Investments-land, buildings, and equipment basis			
b	Less accumulated depreciation (attach schedule)		55c	
56	Investments-other (attach schedule)		56	
57a	Land, buildings, and equipment basis	146,098		
b	Less accumulated depreciation (attach schedule) <b>SEE STATEMENT 3</b>	141,680	57c	4,418
58	Other assets (describe <b>SEE STATEMENT 4</b> )	2,700	58	2,687
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)	144,145	59	212,942
60	Accounts payable and accrued expenses	3,356	60	3,015
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 <b>SEE STATEMENT 5</b> )	25,549	65	32,397
66	<b>Total liabilities</b> (add lines 60 through 65)	28,905	66	35,412
<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>				
67	Unrestricted	23,527	67	49,898
68	Temporarily restricted	91,713	68	127,632
69	Permanently restricted		69	
<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74</b>				
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	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72. column (A) must equal line 19, column (B) must equal line 21)	115,240	73	177,530
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	144,145	74	212,942

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



Part VI Other Information (See page 28 of the instructions.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78a	Did the organization have unrelated business gross income of \$1 000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination or substantial contraction during the year? If "Yes," attach a statement	79	X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct and indirect political expenditures See line 81 instructions	81a	
b	Did the organization file Form 1120-POL for this year?	81b	X
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?	82a	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?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	N/A 83b	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A 84b	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	N/A 85a	
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 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?	N/A 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?	N/A 85h	
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs Enter a Gross income from members or shareholders	87a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
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	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed <input type="checkbox"/> MN		
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions)	90b	18
91	The books are in care of <input type="checkbox"/> MARILYN WEISBERG Located at <input type="checkbox"/> RICHFIELD, MN		
	Telephone no <input type="checkbox"/> 612-869-4008 ZIP + 4 <input type="checkbox"/> 55423		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92		

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions.)

	Unrelated business income		Excluded by sec. 512, 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
<b>Note</b> Enter gross amounts unless otherwise indicated					
93 Program service revenue					
<b>a TUITION FEES</b>					<b>723,756</b>
<b>b OUTREACH PROGRAM</b>					<b>21,032</b>
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			<b>14</b>	<b>2,154</b>	
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					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
<b>a</b>					
<b>b MISCELLANEOUS</b>					<b>1,678</b>
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))			<b>0</b>	<b>2,154</b>	<b>746,466</b>
105 Total (add line 104, columns (B), (D), and (E))					<b>748,620</b>

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
<b>93A</b>	<b>STUDENT TUITION IS USED TO UNDERWRITE THE COST OF OPERATING THE SCHOOL AND PROVIDING INSTRUCTIONS AND ACTIVITIES TO STUDENTS.</b>

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of the instructions.)

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

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

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

**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: *[Signature]* Date: **12/8/05**

*[Signature]* **Preparer, Chair of the Board**

Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Instr. W)
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**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**

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

OMB No 1545-0047

**2004**

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

Employer identification number

**MINNESOTA LIFE COLLEGE**

**41-1814112**

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

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

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		

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

Schedule A (Form 990 or 990-EZ) 2004

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

Table with 3 columns: Question, Yes, No. Rows include: 1. During the year, has the organization attempted to influence national, state, or local legislation...; 2. During the year, has the organization, either directly or indirectly, engaged in any of the following acts...; 3a. Do you make grants for scholarships...; 4a. Did you maintain any separate account for participating donors...; 4b. Do you provide credit counseling...

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

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

- 5 [ ] A church convention of churches, or association of churches Section 170(b)(1)(A)(i)
6 [ ] A school Section 170(b)(1)(A)(ii) (Also complete Part V )
7 [ ] A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
8 [ ] A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(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)
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)
11b [ ] A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A )
12 [X] An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions-subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A )
13 [ ] An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3) )

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

Table with 2 columns: (a) Name(s) of supported organization(s), (b) Line number from above

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

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

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

Calendar year (or fiscal year beginning in) ▶	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28 )	<b>394,902</b>	<b>257,892</b>	<b>311,546</b>	<b>460,452</b>	<b>1,424,792</b>
16 Membership fees received					<b>0</b>
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	<b>589,725</b>	<b>704,499</b>	<b>396,268</b>	<b>302,965</b>	<b>1,993,457</b>
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	<b>1,411</b>	<b>946</b>	<b>1,502</b>	<b>520</b>	<b>4,379</b>
19 Net income from unrelated business activities not included in line 18					<b>0</b>
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					<b>0</b>
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					<b>0</b>
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets <b>STMT 8</b>	<b>7,581</b>	<b>5,978</b>	<b>19,058</b>	<b>12,240</b>	<b>44,857</b>
23 Total of lines 15 through 22	<b>993,619</b>	<b>969,315</b>	<b>728,374</b>	<b>776,177</b>	<b>3,467,485</b>
24 Line 23 minus line 17	<b>403,894</b>	<b>264,816</b>	<b>332,106</b>	<b>473,212</b>	<b>1,474,028</b>
25 Enter 1% of line 23	<b>9,936</b>	<b>9,693</b>	<b>7,284</b>	<b>7,762</b>	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					<b>0</b>
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 2000 through 2003 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 _____ 22 _____ 26b _____ ▶					
e Public support (line 26c minus line 26d total) ▶					
f <b>Public support percentage (line 26e (numerator) divided by line 26c (denominator))</b> ▶					<b>%</b>
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 (2003) <b>113,000</b> (2002) <b>80,000</b> (2001) <b>117,500</b> (2000) <b>280,000</b>					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year (2003) <b>361,255</b> (2002) <b>465,787</b> (2001) <b>278,724</b> (2000) <b>188,684</b>					
c Add Amounts from column (e) for lines 15 <b>1,424,792</b> 16 _____ 17 <b>1,993,457</b> 20 _____ 21 _____ ▶					<b>3,418,249</b>
d Add Line 27a total <b>590,500</b> and line 27b total <b>1,294,450</b> ▶					<b>1,884,950</b>
e Public support (line 27c total minus line 27d total) ▶					<b>1,533,299</b>
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ▶   27f   <b>3,467,485</b>					
g <b>Public support percentage (line 27e (numerator) divided by line 27f (denominator))</b> ▶					<b>44.2193%</b>
h <b>Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</b> ▶					<b>0.1263%</b>
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15					

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

		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?  If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )	32d		
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?  If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )	33h		
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		

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

Table with 3 columns: Line number, Description, and Amount. Rows include Total lobbying expenditures (36-38), Other exempt purpose expenditures (39-40), Lobbying nontaxable amount (41), Grassroots nontaxable amount (42), and subtraction lines (43-44).

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below)

See the instructions for lines 45 through 50 on page 11 of the instructions

Lobbying Expenditures During 4-Year Averaging Period

Table with 6 columns: Calendar year (or fiscal year beginning in), (a) 2004, (b) 2003, (c) 2002, (d) 2001, and (e) Total. Rows include Lobbying nontaxable amount (45), Lobbying ceiling amount (46), Total lobbying expenditures (47), Grassroots nontaxable amount (48), Grassroots ceiling amount (49), and Grassroots lobbying expenditures (50).

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions) 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.)

Table with 3 columns: Yes, No, Amount. Rows correspond to items a through i.

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 11 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

- (i) Cash
(ii) Other assets

b Other transactions

- (i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

Table with 3 columns: Question, Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c. 'No' column contains 'X' for all rows.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No (X)

b If "Yes," complete the following schedule

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

**Statement 1 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances**

<u>Description</u>	<u>Amount</u>
TEMPORARILY RESTRICTED-CONTRIBUTION SCHOLARSHIPS	\$ <u>35,919</u>
TOTAL	\$ <u>35,919</u>

Statement 2 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
EXPENSES				
SCHOLARSHIPS	118,875	118,875		
STUDENT SUPPLIES	11,135	11,135		
RECREATION	812	812		
MARKETING	9,115	9,115		
RECRUITING	2,368	2,368		
CONTRACTED SERVICES	10,099	8,887	1,212	
DUES AND SUBSCRIPTIONS	2,295	2,295		
FOOD	37,613	37,613		
INSURANCE	19,076	16,787	2,289	
PROFESSIONAL DEVELOPMENT	3,029	3,029		
UTILITIES	8,142	7,165	977	
LODGING AND MEALS	2,700	2,376	324	
MISCELLANEOUS	7,574	6,738	836	
BANK CHARGES	2,101		2,101	
TOTAL	<u>\$ 234,934</u>	<u>\$ 227,195</u>	<u>\$ 7,739</u>	<u>\$ 0</u>

**Statement 3 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment**

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
LESS IN-KIND ASSET DONATION	\$ 147,598	\$ 138,668	\$ 148,758	\$ 144,214
	<u>-2,660</u>	<u>-1,647</u>	<u>-2,660</u>	<u>-2,534</u>
TOTAL	<u>\$ 144,938</u>	<u>\$ 137,021</u>	<u>\$ 146,098</u>	<u>\$ 141,680</u>

**Statement 4 - Form 990, Part IV, Line 58 - Other Assets**

Description	Beginning of Year	End of Year
SECURITY DEPOSITS	\$ 2,700	\$ 2,687
TOTAL	<u>\$ 2,700</u>	<u>\$ 2,687</u>

**Statement 5 - Form 990, Part IV, Line 65 - Other Liabilities**

Description	Beginning of Year	End of Year
OUTREACH PROGRAM DEPOSITS	\$ 2,948	\$ 1,243
ACCRUED SALARIES	13,654	19,499
ACCRUED PAYROLL TAXES	1,002	1,395
PREPAID TUITION		2,260
STUDENT SECURITY DEPOSITS	7,945	8,000
TOTAL	<u>\$ 25,549</u>	<u>\$ 32,397</u>

041360 MINNESOTA LIFE COLLEGE  
 41-1814112  
 FYE: 6/30/2005

## Federal Statements

### Statement 6 - Form 990, Part V - List of Officers, Directors, Trustees, and Key Employees

Name	Address	City, State, Zip	Title	Average Hours	Compensation	Benefits	Expenses
JERRY ALYEA			TREASURER		0	0	0
GEOFFREY BARNARD			DIRECTOR		0	0	0
NANCY BARNES			VICE PRES		0	0	0
ROSEMARY GEIST			DIRECTOR		0	0	0
BEVERLY HATLEN			FOUNDER		0	0	0
JOHN LAVANDER			CHAIR		0	0	0
JIM OBERG			DIRECTOR		0	0	0
CHERYL OSSENFORT			PARENT ASSOC		0	0	0
JAMES SCHAGH			DIRECTOR		0	0	0
NEWELL SEARLE			DIRECTOR		0	0	0
BETSY SHOBER			SECRETARY		0	0	0
BRAD STEINKE			DIRECTOR		0	0	0

**Statement 7 - Schedule A, Part III, Line 3a - Explanation of Grant / Loan Qualifications**

THE ORGANIZATION DETERMINES SCHOLARSHIPS BASED ON FINANCIAL NEED OF THE APPLICANT.

Statement 8 - Schedule A, Part IV-A, Line 22 - Other Income

<u>Description</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
FEE INCOME	\$	\$ 3,175	\$ 10,150	\$ 250
OUTREACH PROGRAM	7,581	2,803	7,132	11,990
PARENTS ASSOCIATION			1,776	
TOTAL	<u>\$ 7,581</u>	<u>\$ 5,978</u>	<u>\$ 19,058</u>	<u>\$ 12,240</u>

**PART IV-A&B-DONATED SERVICES**

<u>Description</u>	<u>Amount</u>
IN KIND DONATIONS	\$ 11,618
TOTAL	\$ <u>11,618</u>

---

<u>Description</u>	<u>Amount</u>
IN KIND DONATIONS	\$ 11,618
DEPR OF IN KIND	886
TOTAL	\$ <u>12,504</u>

Form **8868**

(Rev. December 2004)

# Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

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](http://www.irs.gov/efile)

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization <b>MINNESOTA LIFE COLLEGE</b>	Employer identification number <b>41-1814112</b>
	Number, street, and room or suite no. If a P O box, see instructions <b>7501 LOGAN AVENUE SOUTH</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>RICHFIELD MN 55423</b>	

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 (sec 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 ▶ **MARILYN WEISBERG**

Telephone No ▶ **612-869-4008** 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 **2/15/06** to file the exempt organization return for the organization named above. The extension is for the organization's return for  
▶  calendar year or  
▶  tax year beginning **7/01/04**, and ending **6/30/05**

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 \$ \_\_\_\_\_

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. \$ \_\_\_\_\_

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. \$ \_\_\_\_\_

**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.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 12-2004)

**BOYUM & BARENSCHEER PLLP CPAS**  
7800 METRO PKWY, SUITE 200  
MINNEAPOLIS, MN 55425  
41-6192096 6762112

*MINNESOTA LIFE COLLEGE*

*FINANCIAL REPORT*

*JUNE 30, 2005*

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**INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors  
Minnesota Life College  
Richfield, Minnesota

We have audited the accompanying statements of financial position of Minnesota Life College (A Minnesota Not-For-Profit Organization) as of June 30, 2005 and 2004, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Minnesota Life College as of June 30, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Minneapolis, Minnesota  
September 22, 2005

*Boyum & Barenscheer, PLLP*

**MINNESOTA LIFE COLLEGE**

**STATEMENTS OF FINANCIAL POSITION**

JUNE 30,	2005	2004
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 173,715	\$ 90,814
Certificate of deposit	10,400	-
Pledge receivable	-	25,000
Prepaid expenses	21,722	17,714
Security deposits	2,687	2,700
	<b>208,524</b>	<b>136,228</b>
<i>Total current assets</i>		
<b>FURNITURE AND EQUIPMENT, net</b>	<b>4,544</b>	<b>8,930</b>
	<b>\$ 213,068</b>	<b>\$ 145,158</b>
<i>Total assets</i>		
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,015	\$ 3,356
GLP deposits	1,243	2,948
Accrued salaries	19,499	13,654
Accrued payroll taxes	1,395	1,002
Prepaid tuition	2,260	-
Student security deposits	8,000	7,945
	<b>35,412</b>	<b>28,905</b>
<i>Total current liabilities</i>		
<b>NET ASSETS</b>		
Unrestricted	50,024	24,540
Temporarily restricted (See Note 6)	127,632	91,713
	<b>177,656</b>	<b>116,253</b>
<i>Total net assets</i>		
	<b>\$ 213,068</b>	<b>\$ 145,158</b>
<i>Total liabilities and net assets</i>		

The Notes to Financial Statements are an integral part of these statements

*MINNESOTA LIFE COLLEGE*

*STATEMENTS OF ACTIVITIES*

<b>YEARS ENDED JUNE 30,</b>	<b>2005</b>	<b>2004</b>
<b>UNRESTRICTED NET ASSETS</b>		
<b>Revenue and Support</b>		
Tuition and fees		
Students	\$ 549,199	\$ 462,829
Agencies	55,682	13,756
Scholarships	118,875	122,592
	<u>723,756</u>	<u>599,177</u>
<i>Total tuition and fees</i>		
Contributions		
Individuals	48,524	117,262
Corporations	49,875	93,275
Foundations	11,386	184,365
Grant funding	5,000	-
Gala benefit, net of direct benefit expenses of \$30,524 in 2005	48,685	-
	<u>163,470</u>	<u>394,902</u>
<i>Total contributions</i>		
Other revenue		
In-kind donations	11,618	800
Outreach program	21,032	7,581
Interest income	2,154	60
Miscellaneous income	1,678	1,351
	<u>36,482</u>	<u>9,792</u>
<i>Total other revenue</i>		
	<u>923,708</u>	<u>1,003,871</u>
<i>Total unrestricted revenue and support</i>		
Net assets released from restrictions	91,713	-
	<u>\$ 1,015,421</u>	<u>\$ 1,003,871</u>
<i>Total unrestricted revenue, support and reclassifications</i>		

The Notes to Financial Statements are an integral part of these statements

YEARS ENDED JUNE 30,	2005	2004
<b>Expenses</b>		
Program	\$ 894,331	\$ 921,909
Support - General and Administration	95,606	78,324
<i>Total expenses</i>	<b>989,937</b>	<b>1,000,233</b>
<i>Changes in unrestricted net assets</i>	<b>25,484</b>	<b>3,638</b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
<b>Revenue and Support</b>		
Gala benefit, net of direct benefit expenses of \$14.106 in 2004	127,632	91,713
Net assets released from restrictions	(91,713)	-
<i>Changes in temporarily restricted net assets</i>	<b>35,919</b>	<b>91,713</b>
<i>Net increase in total net assets</i>	<b>61,403</b>	<b>95,351</b>
Net assets, beginning of year	<b>116,253</b>	<b>20,902</b>
<i>Net assets, end of year</i>	<b>\$ 177,656</b>	<b>\$ 116,253</b>

**MINNESOTA LIFE COLLEGE**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2005**

	Program Services	Support Services	Total
<b>PERSONNEL</b>			
Salaries	\$ 417,528	\$ 58,625	\$ 476,153
Payroll taxes	36,074	4,919	40,993
Benefits	48,927	6,672	55,599
<i>Total personnel</i>	<b>502,529</b>	<b>70,216</b>	<b>572,745</b>
<b>OTHER EXPENSES</b>			
Scholarships	118,875	-	118,875
Student supplies	11,135	-	11,135
Recreation	812	-	812
Depreciation	4,880	666	5,546
Marketing	9,115	-	9,115
Recruiting	2,368	-	2,368
Contracted services	8,887	1,212	10,099
Dues and subscriptions	2,295	-	2,295
Food and incidentals	37,613	-	37,613
Insurance	16,787	2,289	19,076
Accounting and audit fees	-	8,437	8,437
Professional fees	264	36	300
Occupancy	107,523	1,884	109,407
Telephone	6,732	463	7,195
Professional development	3,029	-	3,029
Postage, printing and publications	19,576	2,670	22,246
Office supplies	8,383	1,143	9,526
Utilities	7,165	977	8,142
Equipment rental and repair	8,965	1,223	10,188
Maintenance	6,455	880	7,335
Travel and transportation	1,829	249	2,078
Lodging and meals	2,376	324	2,700
GLP expenses	605	-	605
Miscellaneous	6,133	836	6,969
Bank charges	-	2,101	2,101
<i>Total other expenses</i>	<b>391,802</b>	<b>25,390</b>	<b>417,192</b>
<i>Total personnel and other expenses</i>	<b>\$ 894,331</b>	<b>\$ 95,606</b>	<b>\$ 989,937</b>

The Notes to Financial Statements are an integral part of these statements

**MINNESOTA LIFE COLLEGE**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2004**

	Program Services	Support Services	Total
<b>PERSONNEL</b>			
Salaries	\$ 452,609	\$ 37,244	\$ 489,853
Payroll taxes	32,858	2,703	35,561
Benefits	41,409	3,408	44,817
<i>Total personnel</i>	<b>526,876</b>	<b>43,355</b>	<b>570,231</b>
<b>OTHER EXPENSES</b>			
Scholarships	122,592	-	122,592
Student supplies	4,367	54	4,421
Recreation	1,260	88	1,348
Depreciation	10,042	827	10,869
Marketing	5,318	-	5,318
Recruiting	2,028	120	2,148
Contracted services	20,662	16,200	36,862
Dues and subscriptions	2,722	-	2,722
Food and incidentals	33,972	-	33,972
Insurance	17,181	1,414	18,595
Accounting and audit fees	-	6,854	6,854
Professional fees	-	2,865	2,865
Occupancy	114,820	3,241	118,061
Telephone	7,902	498	8,400
Professional development	2,549	-	2,549
Postage, printing and publications	9,107	749	9,856
Office supplies	5,666	331	5,997
Utilities	6,713	179	6,892
Equipment rental and repair	10,729	351	11,080
Maintenance	5,112	420	5,532
Travel and transportation	3,308	43	3,351
Lodging and meals	2,809	90	2,899
Miscellaneous	6,174	25	6,199
Bank charges	-	620	620
<i>Total other expenses</i>	<b>395,033</b>	<b>34,969</b>	<b>430,002</b>
<i>Total personnel and other expenses</i>	<b>\$ 921,909</b>	<b>\$ 78,324</b>	<b>\$ 1,000,233</b>

The Notes to Financial Statements are an integral part of these statements.

**MINNESOTA LIFE COLLEGE**

**STATEMENTS OF CASH FLOWS**

<b>YEARS ENDED JUNE 30,</b>	<b>2005</b>	<b>2004</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 61,403	\$ 95,351
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	5,546	10,869
Net changes in assets and liabilities:		
Pledge receivable	25,000	(25,000)
Prepaid expenses	(4,008)	1,250
Accounts payable	(341)	2,895
Accrued liabilities	6,238	(8,743)
Security deposits, net	68	(1,455)
Prepaid tuition	2,260	-
GLP deposit	(1,705)	(2,474)
	<u>94,461</u>	<u>72,693</u>
<i>Net cash provided by operating activities</i>	<b>94,461</b>	<b>72,693</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of certificate of deposit	(10,400)	-
Purchase of equipment	(1,160)	-
	<u>(11,560)</u>	<u>-</u>
<i>Net cash used by investing activities</i>	<b>(11,560)</b>	<b>-</b>
	<b>82,901</b>	<b>72,693</b>
<i>Net increase (decrease) in cash equivalents</i>	<b>82,901</b>	<b>72,693</b>
Cash and equivalents, beginning of year	90,814	18,121
	<u>\$ 173,715</u>	<u>\$ 90,814</u>
<i>Cash and equivalents, end of year</i>	<b>\$ 173,715</b>	<b>\$ 90,814</b>

The Notes to Financial Statements are an integral part of these statements.

*MINNESOTA LIFE COLLEGE*

NOTES TO FINANCIAL STATEMENTS

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**Note 1. Significant Accounting Policies**

***Organization:***

Minnesota Life College (MLC) is an innovative college-like apartment living program for young adults with learning disabilities. The Organization was created in 1996 to address the needs of these young adults as they transition into post-secondary programs, employment, and the adult community. MLC is a college of life skills with an emphasis on independent living, vocational readiness and social skills development.

***Basis of presentation:***

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made* and (SFAS) No 117, *Financial Statements of Not-for-Profit Organizations*. Under these standards the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had no permanently restricted net assets as of June 30, 2005 and 2004

***Basis of accounting:***

The financial statements of the Organization have been prepared on the accrual basis of accounting. This is the method of accounting where revenues are recognized in the period when earned or the unconditional promise has been received and expenses are recorded in the period when incurred regardless of whether or not such transactions have been fully settled by the receipt or payment of cash

***Tuition revenue recognition:***

The Organization recognizes tuition revenue pro-ratably throughout the year as it becomes earned

*MINNESOTA LIFE COLLEGE*

NOTES TO FINANCIAL STATEMENTS

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**Note 1. (Continued)**

*Income taxes:*

Minnesota Life College is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar sections of Minnesota income tax laws. Accordingly, no provision for income taxes has been made in the financial statements

*Functional Allocation of Expenses:*

The costs of providing the Organization's program and support activities have been presented on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited.

*Contributions:*

Contributions, which include unconditional promises to give, are recognized as revenue in the period received. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. Contributed materials, fixed assets, or investments are recorded at fair market value when received.

*Cash and cash equivalents:*

For purposes of the statement of cash flows, the organization considers all checking and savings accounts to be cash and cash equivalents

MINNESOTA LIFE COLLEGE

NOTES TO FINANCIAL STATEMENTS

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Note 1. (Continued)

*Furniture and equipment:*

Furniture and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on estimated useful lives of three to seven years.

When assets are sold, or disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is recorded as an expense as incurred.

*Use of estimates:*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Fundraising expenses:*

Fundraising expenses, including the Gala benefit, are considered immaterial to the financial statements and are included in general and administrative expenses.

MINNESOTA LIFE COLLEGE

NOTES TO FINANCIAL STATEMENTS

**Note 2. Furniture and Equipment**

Furniture and equipment is comprised of the following

<b>June 30,</b>	<b>2005</b>	<b>2004</b>
Vehicle	\$ 2,660	\$ 2,660
Computer equipment	69,923	69,923
Office furniture and equipment	<u>76,175</u>	<u>75,015</u>
Total cost	148,756	147,598
Less accumulated depreciation	144,214	138,668
<i>Net fixed assets</i>	<b>\$ 4,544</b>	<b>\$ 8,930</b>

Depreciation expense of \$5,546 and \$10,869 was recorded for the years ended June 30, 2005 and 2004, respectively.

**Note 3. Related Parties**

Student tuition and fees are subsidized by financial support from a family that is closely affiliated with a major corporate donor (Buffets, Inc) and foundation donor (Hatlen Foundation). For the years ended June 30, 2005 and 2004, 15% and 29%, respectively, of all contributions were received from these two entities. These funds originally were start-up funds for the Organization and the contributions and commitments have decreased yearly

MINNESOTA LIFE COLLEGE

NOTES TO FINANCIAL STATEMENTS

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**Note 4. In-Kind Contributions**

For the years ended June 30, 2005 and 2004, in-kind contributions included donated computers and a vehicle, respectively. In accordance with SFAS No. 116, the value of these assets is recorded at their estimated fair market value at the date of receipt. For the years ended June 30, 2005 and 2004, these in-kind contributions were valued at \$11,618 and \$800, respectively.

**Note 5. Commitments**

The Organization has leases for apartment units in Richfield, Minnesota that are used for student apartments, staff offices, and a student center. The leases are generally renewed each year for the ensuing school year. There are no long-term lease arrangements. Total rent expense relating to these apartment leases was \$109,407 and \$118,061 for the years ended June 30, 2005 and 2004, respectively.

The Organization also leases office equipment and a vehicle under non-cancelable operating leases. The office equipment is now a month to month lease. Minimum future rental payments under the vehicle lease as of June 30, 2005 are as follows.

**YEARS ENDING JUNE 30,**

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2006	\$ 4,668
2007	778
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<i>Total</i>	\$ 5,446

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Total rent expense under these leases was \$10,115 and \$9,287 for the years ended June 30, 2005 and 2004, respectively.

*MINNESOTA LIFE COLLEGE*

NOTES TO FINANCIAL STATEMENTS

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**Note 6. Temporarily Restricted Net Assets**

Temporarily restricted net assets as of June 30, 2005 and 2004, are restricted for the following purposes.

<b>June 30,</b>	<b>2005</b>	<b>2004</b>
Student scholarships	\$ 82,000	\$ 91,713
Graduate living program	45,632	-
	<b>\$ 127,632</b>	<b>\$ 91,713</b>