

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

A For the 2006 calendar year, or tax year beginning 7/01/06, and ending 6/30/07

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

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

C Name of organization
MINNESOTA LIFE COLLEGE

Number and street (or P O box if mail is not delivered to street address) Room/suite
7501 LOGAN AVENUE SOUTH

City or town, state or country, and ZIP + 4
RICHFIELD MN 55423

D Employer identification number
41-1814112

E Telephone number
651-365-2356

F Accounting method: Cash
 Accrual Other (specify)

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

- H and are not applicable to section 527 organizations. I
- H(a)** Is this a group return for affiliates? Yes No
- H(b)** If "Yes," enter number of affiliates ▶
- H(c)** Are all affiliates included? Yes No
(If "No," attach a list. See instructions.)
- H(d)** Is this a separate return filed by an organization covered by a group ruling? Yes No

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

I Group Exemption Number ▶

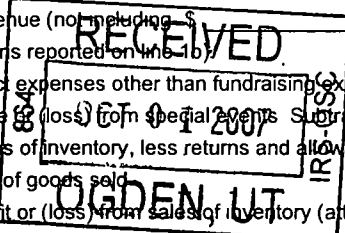
M Check ▶ if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **1,593,131**

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

Revenue	1 Contributions, gifts, grants, and similar amounts received					
	a Contributions to donor advised funds	1a				
	b Direct public support (not included on line 1a)	1b		214,482		
	c Indirect public support (not included on line 1a)	1c				
	d Government contributions (grants) (not included on line 1a)	1d				
	e Total (add lines 1a through 1d) (cash \$ 214,482 noncash \$)	1e			214,482	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			1,183,653	
	3 Membership dues and assessments	3				
	4 Interest on savings and temporary cash investments	4			26,772	
	5 Dividends and interest from securities	5				
	6a Gross rents	6a				
	b Less rental expenses	6b				
6c Net rental income or (loss) Subtract line 6b from line 6a	6c					
7 Other investment income (describe)	7					
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other			
	8a					
	8b					
	8c					
8d Net gain or (loss) Combine line 8c, columns (A) and (B)	8d					
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>						
a Gross revenue (not including \$ of contributions reported on line 1b)	9a		164,489			
b Less: direct expenses other than fundraising expenses	9b					
9c Net income or (loss) from special events Subtract line 9b from line 9a	9c			164,489		
10a Gross sales of inventory, less returns and allowances	10a					
	b Less: cost of goods sold	10b				
	10c Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10c				
11 Other revenue (from Part VII, line 103)	11			3,735		
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			1,593,131		
Expenses	13 Program services (from line 44, column (B))	13		1,248,879		
	14 Management and general (from line 44, column (C))	14		142,475		
	15 Fundraising (from line 44, column (D))	15				
	16 Payments to affiliates (attach schedule)	16				
	17 Total expenses. Add lines 16 and 44, column (A)	17			1,391,354	
Net Assets	18 Excess or (deficit) for the year Subtract line 17 from line 12	18		201,777		
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		404,266		
	20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 1	20		-16,889		
	21 Net assets or fund balances at end of year Combine lines 18, 19, and 20	21			589,154	

SCANNED 06/15/2007 Revenue



21

Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)				
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)				
25c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
26	Salaries and wages of employees not included on lines 25a, b, and c	680,722	595,214	85,508	
27	Pension plan contributions not included on lines 25a, b, and c				
28	Employee benefits not included on lines 25a - 27	67,509	59,029	8,480	
29	Payroll taxes	66,128	57,821	8,307	
30	Professional fundraising fees				
31	Accounting fees	9,284	381	8,903	
32	Legal fees				
33	Supplies	17,156	15,001	2,155	
34	Telephone	7,683	6,718	965	
35	Postage and shipping				
36	Occupancy	150,133	146,142	3,991	
37	Equipment rental and maintenance	35,442	30,990	4,452	
38	Printing and publications	24,948	21,814	3,134	
39	Travel	6,023	5,266	757	
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	26,886	23,509	3,377	
43	Other expenses not covered above (itemize)				
43a	SEE STATEMENT 2	299,440	286,994	12,446	
43b					
43c					
43d					
43e					
43f					
43g					
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	1,391,354	1,248,879	142,475	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 the instructions.)

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

What is the organization's primary exempt purpose?

▶ 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) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

a THE MN LIFE COLLEGE TEACHES LIVING SKILLS TO YOUNG ADULTS WITH LEARNING DISABILITIES

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

1,248,879

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 (attach schedule)

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

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

1,248,879

Part IV Balance Sheets (See the instructions.)

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

		(A) Beginning of year	(B) End of year
Assets	45 Cash-non-interest-bearing	353,195	45 585,760
	46 Savings and temporary cash investments	20,400	46 34,400
	47a Accounts receivable	47a 698	
	b Less: allowance for doubtful accounts	47b	47c 698
	48a Pledges receivable	48a 14,706	
	b Less: allowance for doubtful accounts	48b	48c 14,706
	49 Grants receivable		49
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att schedule)		50b
	51a Other notes and loans receivable (attach schedule)	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	26,061	53 13,824
	54a Investments—publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54a
	b Investments—other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b
55a Investments-land, buildings, and equipment: basis	55a		
b Less: accumulated depreciation (attach schedule)	55b	55c	
56 Investments-other (attach schedule)		56	
57a Land, buildings, and equipment: basis	57a 238,660		
b Less: accumulated depreciation (attach schedule) SEE STATEMENT 3	57b 183,131	57c 45,975	
58 Other assets, including program-related investments (describe SEE STATEMENT 4)	3,287	58 4,187	
59 Total assets (must equal line 74) Add lines 45 through 58	457,005	59 709,104	
Liabilities	60 Accounts payable and accrued expenses	10,391	60 11,999
	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 SEE STATEMENT 5)	42,348	65 107,951
66 Total liabilities. Add lines 60 through 65	52,739	66 119,950	
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	366,693	67 568,470
	68 Temporarily restricted	37,573	68 20,684
	69 Permanently restricted		69
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds		72
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	404,266	73 589,154	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	457,005	74 709,104	

Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		
	N/A		
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85	501(c)(4), (5), or (6) organizations a 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		
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		
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		
86	501(c)(7) orgs Enter: a Initiation fees and capital contributions included on line 12		
	86a		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b		
87	501(c)(12) orgs Enter: a Gross income from members or shareholders		
	87a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b		
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
89a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under section 4911 0 ; section 4912 0 , section 4955 0		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization 0		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
	89g		
90a	List the states with which a copy of this return is filed MN		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	18
91a	The books are in care of TROY DUNLAP 7501 LOGAN AVENUE SOUTH Located at RICHFIELD, MN	Telephone no. 612-869-4008 ZIP + 4 55423	
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No

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

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a TUITION FEES					1,111,003
b OUTREACH PROGRAM					72,650
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	26,772	
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					164,489
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b MISCELLANEOUS					3,735
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		26,772	1,351,877
105 Total (add line 104, columns (B), (D), and (E))					1,378,649

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

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

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

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)

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

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

Yes	No
	X

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

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

Yes	No
	X

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

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

Yes	No

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: *Jim Schagh* Date: 9/20/07

Type or print name and title: Jim Schagh, Treasurer

Paid Preparer's Use Only

Preparer's signature: *Jan Aron* Date: 9/4/07 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: BOYUM & BARENSCHEER PLLP
7800 METRO PARKWAY, STE 200
MINNEAPOLIS, MN 55425

Preparer's SSN or PTIN (See Gen. Instr. X): P00377268
 EIN: 41-6192096
 Phone no: 952-854-4244

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

**SCHEDULE A
(Form 990 or 990-EZ)**

Organization Exempt Under Section 501(c)(3)

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

OMB No 1545-0047

2006

Department of the Treasury
Internal Revenue Service

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

MINNESOTA LIFE COLLEGE

Employer identification number
41-1814112

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

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

Total number of other employees paid over \$50,000 ▶

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of other contractors receiving over \$50,000 for other services ▶

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

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		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	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments) SEE STATEMENT 7	X	
b	Did the organization have a section 403(b) annuity plan for its employees?		X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966?		
c	Did the organization make a distribution to a donor, donor advisor, or related person?		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶ _____		
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____		
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____		0
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____		0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is. (Please check only **ONE** applicable box.)

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

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

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

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?			
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?			
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
32	Does the organization maintain the following.			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?			
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?			
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?			
d	Copies of all material used by the organization or on its behalf to solicit contributions?			
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?			
b	Admissions policies?			
c	Employment of faculty or administrative staff?			
d	Scholarships or other financial assistance?			
e	Educational policies?			
f	Use of facilities?			
g	Athletic programs?			
h	Other extracurricular activities?			
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?			
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation			

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.) (To be completed ONLY by an eligible organization that filed Form 5768) 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 columns for line numbers (36-44), (a) Affiliated group totals, and (b) To be completed for all electing organizations. Rows include Total lobbying expenditures, Other exempt purpose expenditures, Lobbying nontaxable amount, and calculations for lines 42-44.

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 13 of the instructions)

Table titled 'Lobbying Expenditures During 4-Year Averaging Period' with columns for Calendar year (2006, 2005, 2004, 2003) and Total. Rows include Lobbying nontaxable amount, Lobbying ceiling amount, Total lobbying expenditures, Grassroots nontaxable amount, Grassroots ceiling amount, and Grassroots lobbying expenditures.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.) N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

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

Table with columns for Yes, No, and Amount, corresponding to the list items above.

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

Federal Statements

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

<u>Description</u>	<u>Amount</u>
REDUCTION IN TEMPORARILY RESTRICTED NET ASSETS	\$ -16,889
TOTAL	\$ <u>-16,889</u>

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

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
EXPENSES				
SCHOLARSHIPS	102,000	102,000		
STUDENT SUPPLIES	30,218	30,218		
RECREATION	1,483	1,483		
MARKETING	14,136	12,360	1,776	
RECRUITING	3,014	2,635	379	
CONTRACTED SERVICES	25,227	22,058	3,169	
DUES AND SUBSCRIPTIONS	4,853	4,853		
FOOD	56,046	56,046		
INSURANCE	22,714	19,861	2,853	
PROFESSIONAL DEVELOPMENT	8,633	8,633		
UTILITIES	13,619	11,908	1,711	
LODGING AND MEALS	3,159	2,762	397	
GLP EXPENSE	2,414	2,414		
MISCELLANEOUS	11,165	9,763	1,402	
BANK CHARGES	759		759	
TOTAL	<u>\$ 299,440</u>	<u>\$ 286,994</u>	<u>\$ 12,446</u>	<u>\$ 0</u>

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

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Deprec</u>	<u>End of Year</u>	<u>Accum Deprec</u>
	\$ 202,220	\$ 156,245	\$ 238,660	\$ 183,131
TOTAL	<u>\$ 202,220</u>	<u>\$ 156,245</u>	<u>\$ 238,660</u>	<u>\$ 183,131</u>

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
SECURITY DEPOSITS	\$ 3,287	\$ 4,187
TOTAL	<u>\$ 3,287</u>	<u>\$ 4,187</u>

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
OUTREACH PROGRAM DEPOSITS	\$ 1,187	\$ 282
ACCRUED SALARIES	18,311	40,428
ACCRUED PAYROLL TAXES	1,783	2,680
PREPAID TUITION	14,067	52,036
STUDENT SECURITY DEPOSITS	7,000	12,525
TOTAL	<u>\$ 42,348</u>	<u>\$ 107,951</u>

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

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
JERRY ALYEA	TREASURER	0	0	0	0
GEOFFREY BARNARD	DIRECTOR	0	0	0	0
NANCY BARNES	VICE PRES	0	0	0	0
ROSEMARY GEIST	DIRECTOR	0	0	0	0
BEVERLY HATLEN	FOUNDER	0	0	0	0
JOHN LAVANDER	CHAIR	0	0	0	0
JIM OBERG	DIRECTOR	0	0	0	0
CHERYL OSSENFORT	PARENT ASSOC	0	0	0	0
NEWELL SEARLE	DIRECTOR	0	0	0	0
BETSY SHOBER	SECRETARY	0	0	0	0
BRAD STEINKE	DIRECTOR	0	0	0	0
KATHRYN THOMAS	DIR/EMPLOYEE	0	0	0	0

Federal Statements

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

Description

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

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

<u>Description</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
FEE INCOME	\$ 74,125	\$ 21,032	\$ 7,581	\$ 3,175
GLP SERVICES				2,803
PARENTS ASSOCIATION				
TOTAL	<u>\$ 74,125</u>	<u>\$ 21,032</u>	<u>\$ 7,581</u>	<u>\$ 5,978</u>

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Schedule A, Part IV, Line 27a - Support from Disqualified Persons

Donor Name	2005	2004	2003	2002
HATLEN FOUNDATION	22,500		88,000	50,000
TOTAL	22,500	0	88,000	50,000

Schedule A, Part IV, Line 27b - Excess Gross Receipts

Donor Name	Total	Excess
SCHOLARSHIPS GRANTED	\$	\$
2005	102,000	87,272
2004	118,875	110,424
2003	122,592	112,656
2002	105,201	95,508
ADASKIN, JONATHAN		
2002	29,500	19,807
ALTHOFF, ELLEN		
2003	15,750	5,814
ALYEA, CHRISTINE		
2004	36,000	27,549
2003	31,500	21,564
ARMAJANI, LEAH		
2004	36,000	27,549
2003	31,500	21,564
2002	29,000	19,307
BAKER, CHRISTOPHER		
2003	18,900	8,964
2002	29,500	19,807
BARNARD, JOHN		
2004	36,000	27,549
2003	31,500	21,564
BARNES, CORY		
2003	31,500	21,564
2002	29,500	19,807
BAUKNER		
2005	33,500	18,772
BLEIK		
2005	39,500	24,772
BONHAM		
2005	39,500	24,772
BONO		
2005	38,500	23,772
CEDARLEAF		
2005	35,500	20,772
CHEESEMAN, CASEY		
2004	36,000	27,549
2003	31,500	21,564
2002	29,500	19,807
COOKSON, ELIZABETH		
2004	36,000	27,549
2003	10,025	89
CRUTCHFIELD		
2002	29,500	19,807
DILLENBERGER, TIMOTHY		
2004	36,000	27,549
DORSEY		
2002	14,750	5,057
FRANCUZ		
2005	27,500	12,772
FRYKHOLM, ANGELA		
2003	12,600	2,664
2002	29,500	19,807
GALLE		

Federal Statements

Schedule A, Part IV, Line 27b - Excess Gross Receipts (continued)

<u>Donor Name</u>	<u>Total</u>	<u>Excess</u>
2002	\$ 29,500	\$ 19,807
GALLO		
2005	39,500	24,772
GOEDKEN		
2005	39,500	24,772
GRAY-EHNERT		
2005	26,500	11,772
GULSTRAND		
2005	39,500	24,772
HAAG, TYLER		
2004	36,000	27,549
2003	31,500	21,564
2002	29,500	19,807
HAFFORD, TRAVIS		
2003	11,500	1,564
HARTMAN, RACHEL		
2003	31,500	21,564
2002	29,500	19,807
HASSINGER, JASON		
2005	23,500	8,772
2004	21,000	12,549
HUMPHRIES		
2002	14,725	5,032
JUNGMANN		
2005	39,500	24,772
KAPPLE		
2005	39,500	24,772
KELLEY, LAURIE		
2004	21,000	12,549
KETCHUM		
2005	26,500	11,772
LAGER		
2005	37,500	22,772
LAMMERT		
2005	39,500	24,772
LAVANDER, BRADLEY		
2004	36,000	27,549
2003	31,500	21,564
2002	29,500	19,807
LIGHTY		
2005	38,500	23,772
MCGUFFIN		
2005	39,500	24,772
MCLEAN		
2005	39,500	24,772
MEEHAN		
2005	37,500	22,772
MEYER, ASHLEY		
2004	36,000	27,549
MILLARD, BEN		
2003	31,500	21,564
2002	29,500	19,807
MORSE, MARGRET		
2005	20,500	5,772

Schedule A, Part IV, Line 27b - Excess Gross Receipts (continued)

Donor Name	Total	Excess
2004	\$ 18,000	\$ 9,549
MULLEN		
2005	27,500	12,772
OBERG		
2002	14,600	4,907
OSSENFORT, CARY		
2005	38,500	23,772
2004	36,000	27,549
OWEN		
2002	29,500	19,807
PRELL, ELIZABETH		
2004	15,000	6,549
RALSTON, CANDACE		
2004	23,125	14,674
2003	11,808	1,872
RAUSCH-BORGERDING, MELLISSA		
2004	21,000	12,549
ROGERS, PHILLIPS		
2002	29,500	19,807
SCHERRICK		
2005	25,500	10,772
SCHNELLER, DANIEL		
2003	16,500	6,564
2002	29,500	19,807
SCHNETTLER		
2002	26,550	16,857
SQUIRE, JOEL		
2005	25,666	10,938
2004	21,000	12,549
STREET, THOMAS		
2004	14,000	5,549
2003	12,600	2,664
2002	11,900	2,207
SWIFT, JONATHAN		
2003	12,700	2,764
SYLVESTER		
2002	29,500	19,807
THAYER		
2005	38,500	23,772
TONYAN		
2002	29,500	19,807
TULMAN, EVAN		
2004	36,000	27,549
2003	31,500	21,564
TURNER, GRANT		
2004	36,000	27,549
WRAY		
2005	39,500	24,772
TOTAL	<u>\$ 2,991,367</u>	<u>\$ 1,979,853</u>

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Prepaid Expenses

<u>Description</u>	<u>Amount</u>
	\$ 13,824
TOTAL	<u>\$ 13,824</u>

MINNESOTA LIFE COLLEGE

FINANCIAL REPORT

JUNE 30, 2007

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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, 2007 and 2006, 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, 2007 and 2006, 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.

Boyum & Barenscheer, PLLP

Minneapolis, Minnesota
August 16, 2007

MINNESOTA LIFE COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2007 and 2006, are restricted for the following purposes:

June 30,	2007	2006
Graduate Living Community (GLC)	\$ 8,184	\$ 32,573
Vocational program	12,500	-
Other	-	5,000
	\$ 20,684	\$ 37,573

Note 6. Salary Reduction Retirement Plan

Minnesota Life College has a Salary Reduction Retirement Plan that is qualified under Section 403(b) of the Internal Revenue Code. Employees who are 75% or more full time equivalent are eligible to participate in the plan. The plan must be funded solely by employee contributions under salary reduction arrangements.

MINNESOTA LIFE COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 3. In-Kind Contributions

For the years ended June 30, 2007 and 2006, in-kind contributions included donated used equipment and computers, 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, 2007 and 2006, these in-kind contributions were valued at \$600 and \$4,075, respectively.

Note 4. 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 \$150,133 and \$123,725 for the years ended June 30, 2007 and 2006, respectively.

The Organization also leases office equipment and three vehicles under non-cancelable operating leases. Minimum future rental payments under the leases as of June 30, 2007 are as follows:

YEARS ENDING JUNE 30,

2008	20,297
2009	20,297
2010	16,526
2011	4,029

<i>Total</i>	\$ 61,149
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Total rent expense under these leases was \$23,418 and \$14,314 for the years ended June 30, 2007 and 2006, respectively.

MINNESOTA LIFE COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. (Continued)

Fundraising expenses:

Fundraising expenses are considered immaterial to the financial statements and are included in general and administrative expenses.

Accounts receivable:

Accounts receivable is stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances. Receivables are considered impaired if full payments are not received in accordance with contractual terms. It is the Organization's policy to charge off uncollectible receivables when management determines that a receivable will not be collected. As of June 30, 2007 and 2006, no allowance was recorded due to the fact that the Organization deemed the receivables to be 100% collectible.

Note 2. Property and Equipment

Furniture and equipment is comprised of the following:

June 30,	2007	2006
Computer equipment	\$122,199	\$ 96,724
Leasehold improvements	38,740	27,775
Office furniture and equipment	<u>77,721</u>	<u>77,721</u>
Total cost	238,660	202,220
Less accumulated depreciation	(183,131)	(156,245)
<i>Net fixed assets</i>	\$55,529	\$ 45,975

Depreciation expense of \$26,886 and \$14,692 was recorded for the years ended June 30, 2007 and 2006, respectively.

MINNESOTA LIFE COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. (Continued)

Cash and cash equivalents:

For purposes of the statement of cash flows, the organization considers all checking and savings accounts and short term highly liquid investment instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Property and equipment:

Furniture and equipment are recorded at cost less accumulated depreciation. Depreciation of property and equipment is computed on a straight-line basis and provided over the estimated useful lives of assets as follows:

Computer equipment	3 years
Leasehold improvements	3 years
Office furniture and equipment	3-7 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.

MINNESOTA LIFE COLLEGE

NOTES TO FINANCIAL STATEMENTS

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.

Concentration of credit risk:

The Organization maintains certain cash accounts in commercial banks located in Minnesota. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At times, the insurance limit may have been exceeded during the years.

MINNESOTA LIFE COLLEGE

NOTES TO FINANCIAL STATEMENTS

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, 2007 and 2006.

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 to give 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

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30,	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 184,888	\$ 226,610
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	26,886	14,692
Net changes in assets and liabilities:		
Accounts receivable	(7,317)	(8,087)
Prepaid expenses	12,237	(4,339)
Accounts payable	13,537	7,376
Accrued liabilities	11,085	(800)
Security deposits, net	4,625	(1,600)
Prepaid tuition	37,969	11,807
GLC deposits	(905)	(56)
	283,005	245,603
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificate of deposit	(14,000)	(10,000)
Purchase of property and equipment	(36,440)	(56,123)
	(50,440)	(66,123)
<i>Net cash used by investing activities</i>	(50,440)	(66,123)
<i>Net increase in cash and cash equivalents</i>	232,565	179,480
Cash and cash equivalents, beginning of year	353,195	173,715
	\$ 585,760	\$ 353,195

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

MINNESOTA LIFE COLLEGE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2006

	Program Services	Support Services	Total
PERSONNEL			
Salaries	\$ 486,721	\$ 70,674	\$ 557,395
Payroll taxes	46,168	6,704	52,872
Benefits	47,746	6,933	54,679
<i>Total personnel</i>	580,635	84,311	664,946
OTHER EXPENSES			
Scholarships	83,900	-	83,900
Student supplies	10,031	-	10,031
Recreation	748	-	748
Depreciation	12,829	1,863	14,692
Marketing	10,773	-	10,773
Recruiting	3,230	-	3,230
Contracted services	20,151	2,926	23,077
Dues and subscriptions	3,709	-	3,709
Food and incidentals	45,990	-	45,990
Insurance	17,151	2,490	19,641
Accounting and audit fees	-	9,377	9,377
Occupancy	121,470	2,255	123,725
Telephone	4,689	681	5,370
Professional development	5,079	-	5,079
Postage, printing and publications	15,652	2,273	17,925
Office supplies	10,265	1,491	11,756
Utilities	9,402	1,365	10,767
Equipment rental and repair	16,064	2,333	18,397
Maintenance	6,422	933	7,355
Travel and transportation	5,712	829	6,541
Lodging and meals	3,771	547	4,318
GLC expenses	4,652	-	4,652
Miscellaneous	9,385	1,363	10,748
Bank charges	-	361	361
<i>Total other expenses</i>	421,075	31,087	452,162
<i>Total personnel and other expenses</i>	\$ 1,001,710	\$ 115,398	\$ 1,117,108

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

MINNESOTA LIFE COLLEGE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2007

	Program Services	Support Services	Total
PERSONNEL			
Salaries	\$ 595,214	\$ 85,508	\$ 680,722
Payroll taxes	57,821	8,307	66,128
Benefits	59,029	8,480	67,509
<i>Total personnel</i>	712,064	102,295	814,359
OTHER EXPENSES			
Scholarships	102,000	-	102,000
Student supplies	30,218	-	30,218
Recreation	1,483	-	1,483
Depreciation	23,509	3,377	26,886
Marketing	12,360	1,776	14,136
Recruiting	2,635	379	3,014
Contracted services	22,058	3,169	25,227
Dues and subscriptions	4,853	-	4,853
Food and incidentals	56,046	-	56,046
Insurance	19,861	2,853	22,714
Accounting and audit fees	-	8,848	8,848
Professional fees	381	55	436
Occupancy	146,142	3,991	150,133
Telephone	6,718	965	7,683
Professional development	8,633	-	8,633
Postage, printing and publications	21,814	3,134	24,948
Office supplies	15,001	2,155	17,156
Utilities	11,908	1,711	13,619
Equipment rental and repair	29,753	4,274	34,027
Maintenance	1,237	178	1,415
Travel and transportation	5,266	757	6,023
Lodging and meals	2,762	397	3,159
GLC expenses	2,414	-	2,414
Miscellaneous	9,763	1,402	11,165
Bank charges	-	759	759
<i>Total other expenses</i>	536,815	40,180	576,995
<i>Total personnel and other expenses</i>	\$ 1,248,879	\$ 142,475	\$ 1,391,354

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

YEARS ENDED JUNE 30,	2007	2006
Expenses		
Program	\$ 1,248,879	\$ 1,001,710
Support - general and administration	142,475	115,398
<i>Total expenses</i>	1,391,354	1,117,108
<i>Changes in unrestricted net assets</i>	201,777	316,669
TEMPORARILY RESTRICTED NET ASSETS		
Revenue and Support		
Gala benefit	12,500	34,100
Net assets released from restrictions	(29,389)	(124,159)
<i>Changes in temporarily restricted net assets</i>	(16,889)	(90,059)
<i>Net increase in total net assets</i>	184,888	226,610
Net assets, beginning of year	404,266	177,656
<i>Net assets, end of year</i>	\$ 589,154	\$ 404,266

MINNESOTA LIFE COLLEGE

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30,	2007	2006
UNRESTRICTED NET ASSETS		
Revenue and Support		
Tuition and fees		
Students	\$ 924,882	\$ 767,668
Agencies	84,121	66,480
Scholarships	102,000	83,900
GLC services	72,650	74,125
	<u>1,183,653</u>	<u>992,173</u>
Total tuition and fees		
Contributions		
Individuals	98,351	84,173
Corporations	44,642	50,089
Foundations	41,500	32,269
Gala benefit, net of direct benefit expenses of \$46,801 in 2007 and \$40,370 in 2006	164,489	135,121
	<u>348,982</u>	<u>301,652</u>
Total contributions		
Other revenue		
In-kind donations	600	4,075
Interest income	26,772	11,299
Miscellaneous income	3,735	419
	<u>31,107</u>	<u>15,793</u>
Total other revenue		
	<u>1,563,742</u>	<u>1,309,618</u>
Total unrestricted revenue and support		
Net assets released from restrictions	29,389	124,159
	<u>\$ 1,593,131</u>	<u>\$ 1,433,777</u>
Total unrestricted revenue, support and reclassifications		

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

MINNESOTA LIFE COLLEGE

STATEMENTS OF FINANCIAL POSITION

JUNE 30,	2007	2006
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 585,760	\$ 353,195
Certificate of deposit	34,400	20,400
Accounts receivable	15,404	8,087
Prepaid expenses	13,824	26,061
Security deposits	4,187	3,287
<i>Total current assets</i>	653,575	411,030
PROPERTY AND EQUIPMENT, net	55,529	45,975
<i>Total assets</i>	\$ 709,104	\$ 457,005
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 11,999	\$ 10,391
GLC deposits	282	1,187
Accrued salaries	40,428	18,311
Accrued payroll taxes	2,680	1,783
Prepaid tuition	52,036	14,067
Student security deposits	12,525	7,000
<i>Total current liabilities</i>	119,950	52,739
NET ASSETS		
Unrestricted	568,470	366,693
Temporarily restricted (See Note 5)	20,684	37,573
<i>Total net assets</i>	589,154	404,266
<i>Total liabilities and net assets</i>	\$ 709,104	\$ 457,005

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

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