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

Return of Organization Exempt From Income Tax
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)
 The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047
2005
Open to Public Inspection

A For the 2005 calendar year, or tax year beginning 01-01-2005 and ending 12-31-2005

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

C Name of organization
 Minnesota Council of Nonprofits Inc

Number and street (or P O box if mail is not delivered to street address) Room/suite
 2314 University Avenue West No 20

City or town, state or country, and ZIP + 4
 Saint Paul, MN 55114

D Employer identification number
 36-3501477

E Telephone number
 (651) 642-1904

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).

G Web site: wwwmncnorg

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.**

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 instructions.)

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

I Group Exemption Number: _____

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

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12: 1,800,330

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	Direct public support	1a	896,333	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ 896,333 noncash \$ _____)	1d		896,333
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		552,138
	3	Membership dues and assessments	3		326,958
	4	Interest on savings and temporary cash investments	4		1,705
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
	b	Less rental expenses	6b		
	c	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	
	b	Less cost or other basis and sales expenses	8a	8b	
	c	Gain or (loss) (attach schedule)	8c		
	d	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 1a)	9a		
	b	Less direct expenses other than fundraising expenses	9b		
	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
	10a	Gross sales of inventory, less returns and allowances	10a		
	b	Less cost of goods sold	10b		
	c	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		23,196
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		1,800,330
Expenses	13	Program services (from line 44, column (B))	13		1,359,462
	14	Management and general (from line 44, column (C))	14		203,686
	15	Fundraising (from line 44, column (D))	15		71,677
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 16 and 44, column (A))	17		1,634,825
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		165,505
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		681,171
	20	Other changes in net assets or fund balances (attach explanation)	20		548
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		847,224

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)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) <input type="checkbox"/> (cash \$ <u>4,600</u> noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22 4,600	4,600		
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25 200,320	120,192	58,097	22,031
26	Other salaries and wages	26 626,754	527,324	74,062	25,368
27	Pension plan contributions	27 28,291	22,241	4,445	1,605
28	Other employee benefits	28 70,153	57,841	8,812	3,500
29	Payroll taxes	29 57,543	45,238	9,041	3,264
30	Professional fundraising fees	30			
31	Accounting fees	31 9,298	2,138	7,006	154
32	Legal fees	32			
33	Supplies	33 15,480	12,674	2,062	744
34	Telephone	34 10,415	8,574	1,353	488
35	Postage and shipping	35 40,076	35,770	3,164	1,142
36	Occupancy	36 105,371	82,837	16,556	5,978
37	Equipment rental and maintenance	37			
38	Printing and publications	38 50,021	45,491	3,328	1,202
39	Travel	39 11,965	10,145	1,337	483
40	Conferences, conventions, and meetings	40 18,857	17,457	1,029	371
41	Interest	41 1,033	812	221	
42	Depreciation, depletion, etc (attach schedule) <input type="checkbox"/>	42 38,936	30,607	6,121	2,208
43	Other expenses not covered above (itemize)				
a	See Additional Data Table	43a			
b		43b			
c		43c			
d		43d			
e		43e			
f		43f			
g		43g			
44	Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 1,634,825	1,359,462	203,686	71,677

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.

<p>What is the organization's primary exempt purpose? ► The Minnesota Council of Nonprofits (MCN) has more than 1,500 members, all of which are nonprofit organizations. To its members and other nonprofit organizations, MCN offers educational, public policy, research and advocacy activities that inform, promote, connect and strengthen individual nonprofits and the nonprofit sector.</p> <p>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.)</p>	<p>Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others.)</p>
<p>a EDUCATION MCN provides nonprofit managers, staff and board members with educational events, networking opportunities, and publications to strengthen the sector's effectiveness, productivity and accountability. During 2005, 5,062 people participated in MCN's workshops and conferences, a 40% increase from 2004. Opportunities were offered throughout the state, including a series featuring prominent Minnesota foundation leaders, a series of branding workshops for communicators, and trainings on Minnesota foundations. New opportunities included a corporate sponsorship workshop, panels featuring media representatives and grantwriting clinics. MCN's three largest conferences - Nonprofit 101, Technology Conference and Annual Conference - were well-attended, participants reported a high degree of satisfaction. MCN organized monthly networking sessions for those working in human resources, communications and fundraising and co-hosted a series for nonprofit leaders working in and with the African immigrant community. MCN is also a primary provider of timely and relevant print and web-based information, board and staff members seek information to help with day-to-day and long-term strategic decisions. In 2005, MCN provided information through its Web site, print and electronic newsletters, and publications, including the 2006 Minnesota Grants Directory and Handbook for Starting a Successful Nonprofit. It also produced and disseminated an update of its Principles and Practices for Nonprofit Excellence.</p> <p>(Grants and allocations \$ 1,000) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	544,813
<p>b PUBLIC POLICY MCN builds the capacity of nonprofit leaders to be confident and competent voices on issues that impact their constituents and communities. Education and training is a key part of MCN's work in this area. In response to rising interest and demand, MCN expanded its policy training capacity by adding a Deputy Public Policy Director and experienced a 36% increase in participation (from 3,312 participants in 2004 to 5,174 participants in 2005). MCN also organized groups of nonprofits in northeast Minnesota and southwest Minnesota who were interested in getting more involved in public policy. These groups act as a liaison between MCN and local elected officials, help MCN bring more policy trainings to these communities, and provide MCN with opportunities to more effectively serve its entire membership. During 2005, MCN also continued to build strong nonpartisan voter education and mobilization networks in Minnesota. In the Twin Cities, MCN engaged underrepresented communities and developed a diverse leadership base by helping nonprofits develop customized outreach, education and training materials that effectively reached their constituents.</p> <p>(Grants and allocations \$ 3,600) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	321,985
<p>c MEMBER SERVICES By capitalizing on the aggregated buying power of its members, MCN negotiates lower prices and better service on many products needed by nonprofit organizations. Discounted rates on banking services, insurance, employee benefits and office supplies are available.</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	268,934
<p>d RESEARCH MCN studies sector trends and conducts nonpartisan research on federal and state budget issues impacting nonprofits. In 2005, MCN produced two key sector reports: 2005 Minnesota Nonprofit Economy Report and the Asian and Pacific Islander Nonprofit Economy Report. MCN's Minnesota Budget Project provides nonprofits with nonpartisan analysis on state and federal budget issues so they can be meaningfully involved in public dialogue and deliver effective messages to policymakers. It also provides frameworks for thinking about fiscal issues and helps make the case for a balanced approach to the state and federal budget, tax fairness and adequate funding of government programs that help families reach self-sufficiency. 2005 research by the Minnesota Budget Project includes The FY 2006-07 Budget Impact on Working Families and Individuals, What is the Renters' Credit/Circuit Breaker Property Tax Refund Program? and Federal Budget Decisions Would Have Serious Consequences for Minnesotans and the State's Fiscal Health.</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	116,706
<p>e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►</p>	1,359,462

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		10,253	45	3,126	
	46 Savings and temporary cash investments		111,635	46	309,745	
	47a Accounts receivable	47a	16,948			
	b Less allowance for doubtful accounts	47b		28,910	47c	16,948
	48a Pledges receivable	48a	509,750			
	b Less allowance for doubtful accounts	48b		494,875	48c	509,750
	49 Grants receivable				49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)				50	
	51a Other notes and loans receivable (attach schedule)	51a				
	b Less allowance for doubtful accounts	51b			51c	
	52 Inventories for sale or use			32,608	52	23,045
	53 Prepaid expenses and deferred charges			15,193	53	28,284
	54 Investments—securities (attach schedule)				54	
	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	207,284				
b Less accumulated depreciation (attach schedule)	57b	165,673	53,083	57c	41,611	
58 Other assets (describe)				58		
59 Total assets (must equal line 74) Add lines 45 through 58			746,557	59	932,509	
Liabilities	60 Accounts payable and accrued expenses		64,986	60	63,614	
	61 Grants payable			61		
	62 Deferred revenue		400	62	12,200	
	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	9,471
	65 Other liabilities (describe)				65	
66 Total liabilities Add lines 60 through 65			65,386	66	85,285	
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		-25,229	67	-15,359	
	68 Temporarily restricted		706,400	68	862,583	
	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, column (B) must equal line 21)			681,171	73	847,224	
74 Total liabilities and net assets / fund balances Add lines 66 and 73			746,557	74	932,509	

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?
82b If "Yes," you may indicate the value of these items here
83a Did the organization comply with the public inspection requirements for returns and exemption applications?
83b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84a Did the organization solicit any contributions or gifts that were not tax deductible?
84b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85c Dues assessments, and similar amounts from members
85d Section 162(e) lobbying and political expenditures
85e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?
86 501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12
86b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) orgs. Enter a Gross income from members or shareholders
87b Gross income from other sources
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?
89a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911, section 4912, section 4955
89b 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?
90a List the states with which a copy of this return is filed
90b Number of employees employed in the pay period that includes March 12, 2005
91a The books are in care of Ms Sondra Reis Telephone no (651) 642-1904
2314 University Ave W 20
Located at Saint Paul, MN ZIP + 4 55114
91b 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?
91c At any time during the calendar year, did the organization maintain an office outside of the United States?
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Workshops					230,562
b Annual meeting income					214,163
c Publications					46,223
d Commissions/marketing					43,812
e Consulting					17,378
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					326,958
95 Interest on savings and temporary cash investments			14	1,705	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b non 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 a Miscellaneous income			01	646	
b Advertising income	511140	4,662			
c Sponsorships			07	17,888	
d					
e					
104 Subtotal (add columns (B), (D), and (E))		4,662		20,239	879,096
105 Total (add line 104, columns (B), (D), and (E))					903,997

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	See Additional Data Table

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
	%			
	%			
	%			
	%			

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).

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

Please Sign Here

Signature of officer _____ Date 2006-07-29

Ms Sondra Reis Associate Director
Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature _____ Date 2006-07-29

Firm's name (or yours if self-employed), address, and ZIP + 4
Sherry D Heffernan Ltd
6650 Horseshoe Bend Drive
Corcoran, MN 55340

Check if self-employed

Preparer's SSN or PTIN (See Gen Inst W) _____

EIN _____

Phone no (763) 478-6518

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

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

Supplementary Information—(See separate instructions.)

OMB No 1545-0047

2005

Department of the
Treasury
Internal Revenue
Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization
Minnesota Council of Nonprofits Inc

Employer identification number

36-3501477

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 employee benefit plans & deferred compensation	(e) Expense account and other allowances
Marcia Avner 2314 University Ave W Saint Paul, MN 55114	Public Policy 40 00	80,281	20,726	0
Jean Fox 2314 University Ave W Saint Paul, MN 55114	Deputy Public Policy 40 00	50,769	16,306	0
Nan Madden 2314 University Ave W Saint Paul, MN 55114	MN Budget Project 30 00	42,943	9,934	0
Stephanie Haddad 2314 University Ave W Saint Paul, MN 55114	Program Director 40 00	42,900	9,376	0
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 individual 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 individual or firms. If there are none, enter "None". See page X for 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, include any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>85,863</u> (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		
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 property?	2a	No
b	Lending of money or other extension of credit?	2b	No
c	Furnishing of goods, services, or facilities?	2c	No
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	Yes
e	Transfer of any part of its income or assets?	2e	No
3a	Do you make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)	3a	No
b	Do you have a section 403(b) annuity plan for your employees?	3b	Yes
c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c	No
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a	No
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b	No

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) (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 331/3%** 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 331/3%** 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)** sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) Check the box that describes the type of supporting organization ▶ Type 1 Type 2 Type 3

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

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

- 14** An organization organized and operated to test for public safety Section 509(a)(4) (See 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	782,334	423,755	877,213	791,980	2,875,282
16 Membership fees received	255,386	276,306	242,783	281,570	1,056,045
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	438,961	403,727	298,556	223,451	1,364,695
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	2,219	4,839	7,611	6,545	21,214
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	1,478,900	1,108,627	1,426,163	1,303,546	5,317,236
24 Line 23 minus line 17	1,039,939	704,900	1,127,607	1,080,095	3,952,541
25 Enter 1% of line 23	14,789	11,086	14,262	13,035	
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a 79,051
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts					26b 1,492,418
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c 3,952,541
d Add Amounts from column (e) for lines	18 21,214	19 0			
	22	26 b	1,492,418		
e Public support (line 26c minus line 26d total)					26e 2,438,909
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 61.70 48 %
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 (2004) _____ (2003) _____ (2002) _____ (2001) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 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 (2004) _____ (2003) _____ (2002) _____ (2001) _____					
c Add Amounts from column (e) for lines	15 _____	16 _____			
	17 _____	20 _____	21 _____		
d Add Line 27a total _____ and line 27b total _____					27c _____
e Public support (line 27c total minus line 27d total)					27d _____
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					27e _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27f _____
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27g _____
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15					27h _____

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)

	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?	29	
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?	30	
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)	31	

32 Does the organization maintain the following	32a	
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 racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		

33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		

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

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

Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)		41,340
37	Total lobbying expenditures to influence a legislative body (direct lobbying)		44,523
38	Total lobbying expenditures (add lines 36 and 37)		85,863
39	Other exempt purpose expenditures		1,548,962
40	Total exempt purpose expenditures (add lines 38 and 39)		1,634,825
41	Lobbying nontaxable amount Enter the amount from the following table— If the amount on line 40 is— The lobbying nontaxable amount is— Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000		231,741
42	Grassroots nontaxable amount (enter 25% of line 41)		57,935
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36		0
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38		0

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)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount	231,741	235,106	218,758	0	685,605
46 Lobbying ceiling amount (150% of line 45(e))					1,028,408
47 Total lobbying expenditures	85,863	69,147	128,030	0	283,040
48 Grassroots nontaxable amount	57,935	58,777	54,690	0	171,402
49 Grassroots ceiling amount (150% of line 48(e))					257,103
50 Grassroots lobbying expenditures	41,340	34,015	31,706	0	107,061

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.)

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

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

Yes	No	Amount
	No	
	No	

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

Additional Data

Software ID:

Software Version:

EIN: 36-3501477

Name: Minnesota Council of Nonprofits Inc

Form 990, Part II, Line 43 - Other expenses not covered above (itemize):

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
a Bank and credit card fees	43a	10,450	9,857		593
b Dues and subscriptions	43b	4,992	4,131	633	228
c Advertising	43c	495	389	78	28
d Workshop expense	43d	92,756	92,756		
e Annual conference costs	43e	122,517	122,517		
f Consultants	43f	52,474	47,152	3,910	1,412
g Miscellaneous	43g	10,163	8,170	1,464	529
h Equipment	43h	6,152	4,836	967	349
i Newsletter	43i	45,713	45,713		

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Sarah Stoesz 2314 University Ave W 20 Saint Paul, MN 55114	Chair 1 00	0	0	0
Wendy Roy 2314 University Ave W 20 Saint Paul, MN 55114	Vice-Chair 1 00	0	0	0
Yvonne Cheung Ho 2314 University Ave W 20 Saint Paul, MN 55114	Vice-Chair 1 00	0	0	0
Jeff Washburne 2314 University Ave W 20 Saint Paul, MN 55114	Treasurer 1 00	0	0	0
Jeff Prauer 2314 University Ave W 20 Saint Paul, MN 55114	Secretary 1 00	0	0	0
Paul Carrizales 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Nancy Cross 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Peter Dross 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Folarin Ero-Phillips 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Graham Hartley 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Ron Kroese 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Verna Hasbargen 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Craig Luedemann 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Mitzi Naucler 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Michael Thorsteinson 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Joan Wells 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Tene Wells 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Michelle Wiethoff 2314 University Ave W 20 Saint Paul, MN 55114	Director 1 00	0	0	0
Jon Pratt 2314 University Ave W 20 Saint Paul, MN 55114	Executive Director 40 00	96,732	23,420	0
Sondra Reis 2314 University Ave W 20 Saint Paul, MN 55114	Associate Director 40 00	67,431	12,737	0

Form 990, Part VIII - Relationship of Activities to the Accomplishment of Exempt Purposes:

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&	Fees from Workshops and the Annual Meeting were used to support the
b	costs of planning and hosting these events which provide nonprofit managers and board and staff members with timely and accessible training on a wide variety of management and governance topics
93c	Revenue from publications was used to cover some of the expenses associated with planning writing printing and maintaining inventory of the various directories and reports that MCN publishes to meet the information needs of Minnesota's nonprofits
93d	This revenue resulted from the agreements MCN has arranged to provide members with a wide range of cost-saving programs and services including banking director's and officer's liability insurance employee benefit programs and nonprofit management guides and periodicals
93e	Over the past year MCN designed individualized policy training sessions to meet the specific needs of each group's board and staff members Often these groups paid a consulting fee to MCN to cover some of the staffing and other costs related to planning and running these trainings

TY 2005 Cash Grants Paid Schedule

Name: Minnesota Council of Nonprofits Inc

EIN: 36-3501477

Class of Activity	Recipient's name	Address	Amount	Relationship
Minnesota Participation Project	11 grants-500 or less to 501(c)(3) organizations	2314 University Avenue West Saint Paul, MN 55114	3,600	Members
Mission Awards	Admission Possible	2314 University Avenue West Saint Paul, MN 55114	250	Members
Mission Awards	MN American Indian Chamber of Commerce	2314 University Avenue West Saint Paul, MN 55114	250	Members
Mission Awards	YWCA of Minneapolis	2314 University Avenue West Saint Paul, MN 55114	500	Members

TY 2005 Depreciation and Depletion Schedule**Name:** Minnesota Council of Nonprofits Inc**EIN:** 36-3501477

Asset	Amount
Furniture	15,009
Equipment	9,475
Leasehold improvements	618
Telephone systems and computers	3,056
Dell computer	430
Dell computer	397
Portable Projector	608
Pitney Bowes	116
Dell computer	402
Furniture	1,631
Software	513
Canon	180
Computer-Dell	385
Computer-Dell	361
Computer-Dell	361

Asset	Amount
Laptop-Dell	520
IT backup system	4,795
Laserjet & envelope feeder	79

TY 2005 Land etc. Schedule

Name: Minnesota Council of Nonprofits Inc

EIN: 36-3501477

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
Furniture	104,295	104,295	0
Equipment	31,106	29,324	1,782
Leasehold improvements	3,500	2,368	1,132
Telephone systems and computers	15,278	10,843	4,435
Dell computer	1,719	1,254	465
Dell computer	1,586	1,157	429
Portable Projector	3,039	1,773	1,266
Pitney Bowes	579	328	251
Dell computer	1,607	1,105	502
Furniture	8,157	4,350	3,807
Software	1,540	1,283	257
Canon	900	375	525
Computer-Dell	1,541	610	931
Computer-Dell	1,446	542	904
Computer-Dell	1,446	542	904

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
Laptop-Dell	2,081	650	1,431
IT backup system	25,575	4,795	20,780
Laserjet & envelope feeder	1,889	79	1,810

TY 2005 Mortgages and Notes Payable Schedule

Name: Minnesota Council of Nonprofits Inc

EIN: 36-3501477

Total Mortgage Amount: 0

Item No.	1
Lender's Name	Bremer Bank
Lender's Title	
Relationship to Insider	None
Original Amount of Loan	12800
Balance Due	9471
Date of Note	2005-02
Maturity Date	2008-02
Repayment Terms	Monthly installment
Interest Rate	6.7500
Security Provided by Borrower	Office equipment
Purpose of Loan	Equipment purchase
Description of Lender Consideration	
Consideration FMV	

TY 2005 Officer Compensation Schedule

Name: Minnesota Council of Nonprofits Inc

EIN: 36-3501477

Jon Pratt

	Compensation	EE Benefit Plans	Expense Acct
Program Services	58,039	14,052	
Mgmt & General	24,183	5,855	
Fundraising	14,510	3,513	

Sondra Reis

	Compensation	EE Benefit Plans	Expense Acct
Program Services	40,459	7,642	
Mgmt & General	23,601	4,458	
Fundraising	3,371	637	

TY 2005 Other Changes in Net Assets Schedule

Name: Minnesota Council of Nonprofits Inc

EIN: 36-3501477

Description	Amount
Increase in market value of investments	548