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July 11, 2006

Mr. Hussein Samatar
African Development Center
1808 Riverside Avenue, Suite 200
Minneapolis, MN 55454-1267

Dear Hussein:

Enclosed are two copies of the 2005 Federal Form 990, Minnesota Secretary of State Annual Registration, and State of Minnesota Charitable Organization Annual Report. Please review the returns carefully before filing and if you have any questions, please contact us.

FEDERAL FORM 990:

Page 8 of the Form 990 should be signed and dated by an officer and mailed to the address below on or before August 15, 2006:

Internal Revenue Service Center
Ogden, UT 84201-0027

No payment is required

**MINNESOTA SECRETARY OF STATE ANNUAL REGISTRATION FOR A
MINNESOTA NON-PROFIT CORPORATION:**

This Registration is required to be filed annually with the Office of the Secretary of State. Your 2006 Non-Profit Corporation Annual Registration has already been filed with the Minnesota Secretary of State. Your corporation is in good standing in Minnesota through December 31, 2006.

No payment is required.

STATE OF MINNESOTA OFFICE OF ATTORNEY GENERAL CHARITABLE ORGANIZATION ANNUAL REPORT:

Page 4 of this report should be signed and dated by two officers, and mailed to the address below on or before November 15, 2006:

State of Minnesota
Attorney General's Office
Charities Division
1200 NCL Tower
445 Minnesota Street
Saint Paul, Minnesota 55101-2130

Payment of \$25 is required.

A copy of the 2005 Form 990 and audited financial statements should be sent with the state report.

Please be advised that you are required by law to make your Form 990 available for public inspection without charge for three years after the due date of the return. You can charge only a reasonable fee for reproduction and actual postage costs for copied materials. The law does not require you to provide copies of public inspection documents that are made widely available, such as by posting them on the internet.

Sincerely,

Daniel J. Flicek

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)

Department of the Treasury
Internal Revenue Service

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

A For the 2005 calendar year, or tax year beginning and ending

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

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

C Name of organization
AFRICAN DEVELOPMENT CENTER
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
1808 RIVERSIDE AVENUE 200
 City or town, state or country, and ZIP + 4
MINNEAPOLIS, MN 55454-1267

D Employer identification number
20-0553370

E Telephone number
612-333-4772

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 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 ▶ **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶ **N/A**

G Website: ▶ **WWW.ADCMINNESOTA.ORG**

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 chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **592,132.**

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

Part I		Revenue, Expenses, and Changes in Net Assets or Fund Balances	
Revenue	1 Contributions, gifts, grants, and similar amounts received:		
	a Direct public support	1a	457,800.
	b Indirect public support	1b	
	c Government contributions (grants)	1c	21,250.
	d Total (add lines 1a through 1c) (cash \$ 479,050. noncash \$) ...	1d	479,050.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	110,982.
	3 Membership dues and assessments	3	
	4 Interest on savings and temporary cash investments	4	2,100.
	5 Dividends and interest from securities	5	
	6 a 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		
8 a Gross amount from sales of assets other than inventory	(A) Securities	8a	
	(B) Other	8b	
	Less: cost or other basis and sales expenses	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		
10 a 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		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		592,132.
Expenses	13 Program services (from line 44, column (B))	13	186,052.
	14 Management and general (from line 44, column (C))	14	102,487.
	15 Fundraising (from line 44, column (D))	15	37,087.
	16 Payments to affiliates (attach schedule)	16	
	17 Total expenses (add lines 16 and 44, column (A))	17	
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		266,506.
Net Assets	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	28,685.
	20 Other changes in net assets or fund balances (attach explanation)	20	0.
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	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.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) ... (cash \$ <u>0</u> • noncash \$ <u>0</u>) 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)				
25 Compensation of officers, directors, etc. **	67,232.	42,842.	15,521.	8,869.
26 Other salaries and wages	130,023.	81,241.	48,782.	
27 Pension plan contributions				
28 Other employee benefits	2,672.	1,681.	871.	120.
29 Payroll taxes	20,274.	12,753.	6,609.	912.
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies				
34 Telephone	4,712.	2,964.	1,536.	212.
35 Postage and shipping				
36 Occupancy	13,920.	8,756.	4,538.	626.
37 Equipment rental and maintenance	574.	361.	187.	26.
38 Printing and publications	13,595.	8,551.	4,432.	612.
39 Travel	6,745.	4,243.	2,199.	303.
40 Conferences, conventions, and meetings	10,497.	2,513.	4,337.	3,647.
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	4,817.	3,030.	1,570.	217.
43 Other expenses not covered above (itemize):				
a PROFESSIONAL FEES	7,458.		7,458.	
b SUBCONTRACT FEES	23,257.	8,638.	1,685.	12,934.
c OFFICE EXPENSES	5,545.	3,488.	1,808.	249.
d INSURANCE	1,902.	1,196.	620.	86.
e MARKETING	11,378.	3,150.		8,228.
f MISCELLANEOUS	1,025.	645.	334.	46.
g				
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	325,626.	186,052.	102,487.	37,087.

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 \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

** SEE STATEMENT 1

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

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

What is the organization's primary exempt purpose? ► SEE STATEMENT 3	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
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.)	
a SEE STATEMENT 2	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	186,052.
b	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	186,052.

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		45
	46 Savings and temporary cash investments	25,070.	46 149,889.
	47 a Accounts receivable	47a 7,399.	47c 7,399.
	b Less: allowance for doubtful accounts	47b 360.	
	48 a Pledges receivable	48a 205,000.	48c 205,000.
	b Less: allowance for doubtful accounts	48b	
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a 439,868.	51c 439,868.
	b Less: allowance for doubtful accounts	51b	
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	57.	53 600.
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54
	55 a Investments - land, buildings, and equipment: basis	55a	55c 18,340.
b Less: accumulated depreciation	55b		
56 Investments - other		56	
57 a Land, buildings, and equipment: basis	57a 40,171.	57c 33,472.	
b Less: accumulated depreciation STMT 4	57b 6,699.		
58 Other assets (describe ▶ LEASE DEPOSIT)		58 1,110. 1,110.	
59 Total assets (must equal line 74). Add lines 45 through 58	44,937.	59 837,338.	
Liabilities	60 Accounts payable and accrued expenses	16,252.	60 10,295.
	61 Grants payable		61
	62 Deferred revenue		62 53,904.
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe ▶ SEE STATEMENT 5)		65 477,948.
66 Total liabilities. Add lines 60 through 65)	16,252.	66 542,147.	
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	11,185.	67 71,191.
	68 Temporarily restricted	17,500.	68 224,000.
	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)	28,685.	73 295,191.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	44,937.	74 837,338.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 9
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) 75b X
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? 75c X
Note. Related organizations include section 509(a)(3) supporting organizations.
If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.
d Does the organization have a written conflict of interest policy? 75d X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1: NONE

Part VI Other Information (See the instructions.)

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity 76 X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes. 77 X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? 78a X
b If "Yes," has it filed a tax return on Form 990-T for this year? N/A 78b
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement 79 X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? 80a X
b If "Yes," enter the name of the organization N/A and check whether it is [] exempt or [] nonexempt
81 a Enter direct or indirect political expenditures. (See line 81 instructions.) 81a 0
b Did the organization file Form 1120-POL for this year? 81b X

