

HIRED

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

June 30, 2005 and 2004

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Purpose

HIRED’s management has prepared this analysis of HIRED’s financial position to accompany our fiscal year 2005 audited financial statements. It is our intention to provide readers with the context for the statements and information about the economic, political and industry trends that affected our operations and financial outcomes for this year and will affect us in the future. This analysis contains forward-looking statements based on current information and expectations. While management believes the forward-looking statements to be reasonable assumptions based on current information, we cannot guarantee the statements’ accuracy.

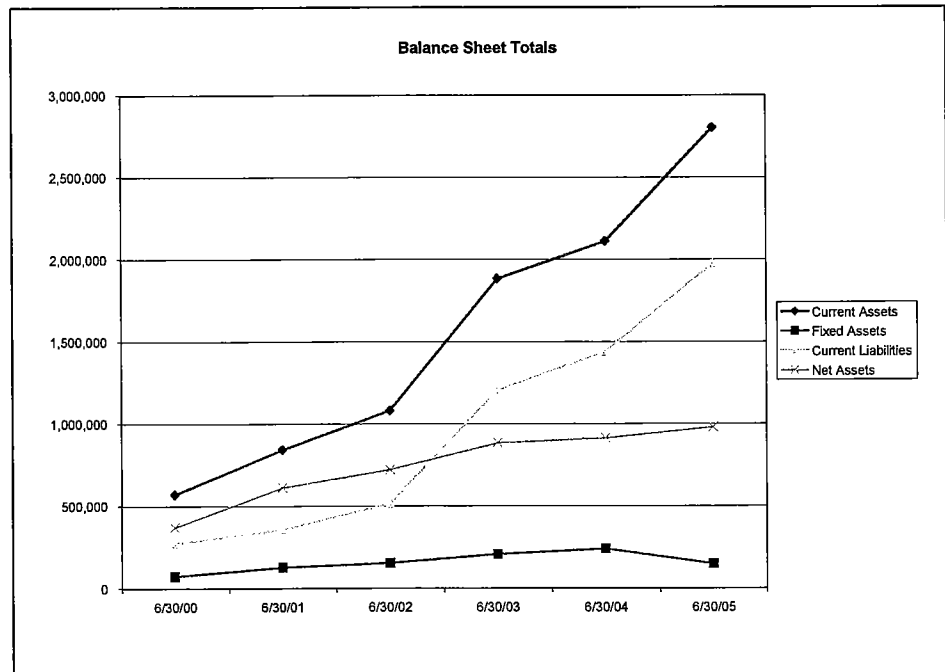
About HIRED

HIRED is a Minnesota nonprofit corporation established in 1968. Our mission is to provide personalized and innovative work solutions. We are currently accomplishing our mission by providing employment and related programs to at-risk youth, low-income adults, dislocated workers, ex-offenders and individuals making the transition from welfare to work. In FY2005, HIRED assisted more than 9,000 people. We had approximately 150 staff members working in ten offices and five satellite service locations at public high schools and a center for homeless youth.

Financial Position

Balance Sheet: HIRED has a healthy balance sheet with a strong cash position. Our net assets have increased in each of the last six years; FY2005 net assets are 161% higher than net assets in FY2000.

The partial shut-down of State Government impacted HIRED’s financial position in FY2005. In preparation



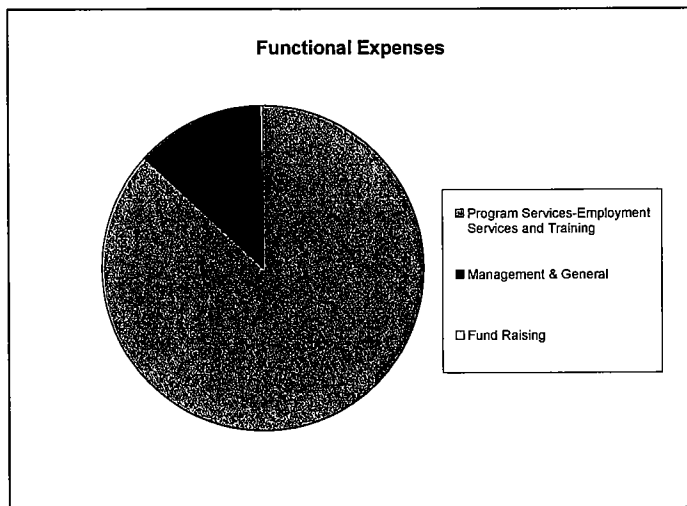
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for the shut-down, HIRED accelerated June invoicing in order to assure sufficient cash would be available for July operations. The accelerated invoicing resulted in significant increases in our cash and grants receivable, both billed and unbilled, and our deferred revenue.

Other changes in the balance sheet were the result of timing changes. Other receivables were \$30,000 less than one year ago because in June 2004 American Express pledged a one-time grant of \$30,000 to support HIRED's Financial Education Program for Minnesota Family Investment Program Parents. Prepaid expenses increased because of changes in the timing of payments for medical insurance and rent, as well as the increase in those expenses.

Accounts payable increased by \$200,000. This increase is attributable to increases in our fixed operating expenses and occupancy costs. Changes in the way accrued vacation is reported resulted in an increase in accrued payroll and related taxes. Previously, accrued vacation was not recorded as a liability because it was reimbursable through government grants and therefore offset by a corresponding asset. In preparation for the

State shut-down, the vacation accrual policy was modified so that it is now recorded as a liability.



Financial Activities/Functional Expenses:

These reports make it evident that the vast majority—86%—of HIRED's support and revenue is used to serve our customers by funding direct service, client training, client support services and program operating costs (space, supplies, telephones, postage, mileage, etc). The reports also show moderate increases in revenue. Increases in revenue are not

keeping pace with increases in expenses, however. The increasing costs for salaries, benefits, rent, equipment maintenance, telephones and postage are outpacing increases in revenue. HIRED is being asked to meet challenging service goals with fewer resources. In response, we have invested in our infrastructure and technology to improve efficiency. Our management expenses increased 7% from 2004 to 2005 while our management and fundraising expenses as a percentage of total expenses is only 13%, well below the 30% maximum suggested by the Charities Review Council. HIRED has implemented a new accounting software system to streamline processes and increase capacity without adding staff positions. Our management staff has been restructured to achieve more impact with fewer resources. We also have increased our marketing activities to support our fundraising activities.

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Looking Forward

The economic and political factors that have impacted HIRED's operations and financial outcomes in recent years are expected to continue for the foreseeable future. We anticipate that government grant revenue will decrease in the next one to two years, and possibly beyond. At the same time, we expect the labor market to remain tight; job growth has been slow and inconsistent. The impact of global competition and business trends such as outsourcing, especially the outsourcing of work to companies off-shore, lead us to believe that local companies will continue to trim jobs. To fulfill our mission, HIRED needs to find additional sources of revenue and improve efficiency to assure limited resources have the greatest possible impact.

HIRED's management and board of directors developed, and recently updated, a five year plan (2004-2008) designed to position HIRED to be effective in a changing political and economic environment. Key strategies to increase revenue and address organizational efficiency include:

- Focusing our marketing and public relations activities.
- Developing specialized services to make our job seeking customers more employable.
- Acquiring new but related types of government contracts.
- Investing in our development capacity to increase revenue from contributions.
- Expanding our volunteer program.
- Engaging employers in our workforce development activities.
- Implementing a fee-for-service initiative to generate earned income.

We anticipate that these strategies will help HIRED to increase its capacity and revenue in order to pursue our mission and fulfill our vision of becoming the leader in providing innovative and comprehensive solutions for those facing economic transition and quality of life challenges.

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Tautges Redpath, Ltd.

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of HIRED
Minneapolis, Minnesota


We have audited the accompanying statements of financial position of HIRED as of June 30, 2005 and 2004, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of HIRED'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 and the standards applicable to financial audits contained in *Government Auditing Standards* as issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 HIRED as of June 30, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 16, 2005 on our consideration of HIRED's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying information listed as supplemental information and Management Discussion and Analysis in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The supplemental information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements, taken as a whole. The Management Discussion and Analysis has not been subjected to the auditing procedures applied in the audits of the financial statements and accordingly we express no opinion.

HLB Tautges Redpath, Ltd.

HLB TAUTGES REDPATH, LTD.
White Bear Lake, Minnesota

September 16, 2005

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FINANCIAL STATEMENTS

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HIRED

STATEMENTS OF FINANCIAL POSITION

June 30, 2005 and 2004

Statement 1

	<u>2005</u>	<u>2004</u>
Assets		
Current assets:		
Cash	\$1,334,713	\$902,238
Contracts receivable - billed (see Note 3)	1,055,308	935,674
Contracts receivable - unbilled	203,222	151,664
Other receivables	7,029	38,142
Prepaid expenses	203,586	213,140
Total current assets	<u>2,803,858</u>	<u>2,240,858</u>
Property and equipment:		
Office equipment and leasehold improvements	1,098,803	1,077,379
Less accumulated depreciation and amortization	(947,525)	(835,002)
Total property and equipment	<u>151,278</u>	<u>242,377</u>
Total assets	<u><u>\$2,955,136</u></u>	<u><u>\$2,483,235</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$370,591	\$189,304
Accrued payroll, vacation and related taxes	594,573	500,149
Deferred revenue	1,008,500	878,436
Total current liabilities	<u>1,973,664</u>	<u>1,567,889</u>
Net assets:		
Unrestricted	808,609	765,553
Temporarily restricted (see Note 2)	172,863	149,793
Total net assets	<u>981,472</u>	<u>915,346</u>
Total liabilities and net assets	<u><u>\$2,955,136</u></u>	<u><u>\$2,483,235</u></u>

The accompanying notes are an integral part of these financial statements.

HIRED

STATEMENTS OF ACTIVITIES

For The Years Ended June 30, 2005 and 2004

	2005		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Governmental contracts	\$10,941,274	\$ -	\$10,941,274
Contributions	11,263	314,044	325,307
Program service fees	-	-	-
Other	22,076	-	22,076
Net assets released from restrictions:			
Satisfaction of program restrictions	290,974	(290,974)	-
Total support and revenue	<u>11,265,587</u>	<u>23,070</u>	<u>11,288,657</u>
Expenses:			
Program services - employment services, and training	9,688,801	-	9,688,801
Supporting services:			
Management and general	1,493,140	-	1,493,140
Fundraising	40,590	-	40,590
Total expenses	<u>11,222,531</u>	<u>0</u>	<u>11,222,531</u>
Change in net assets	43,056	23,070	66,126
Net assets - beginning of year	<u>765,553</u>	<u>149,793</u>	<u>915,346</u>
Net assets - end of year	<u><u>\$808,609</u></u>	<u><u>\$172,863</u></u>	<u><u>\$981,472</u></u>

The accompanying notes are an integral part of these financial statements.

Statement 2

2004		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$10,639,630	\$ -	\$10,639,630
41,118	268,184	309,302
6,600	-	6,600
14,264	-	14,264
178,321	(178,321)	-
<u>10,879,933</u>	<u>89,863</u>	<u>10,969,796</u>
9,511,488	-	9,511,488
1,394,304	-	1,394,304
35,685	-	35,685
<u>10,941,477</u>	<u>0</u>	<u>10,941,477</u>
(61,544)	89,863	28,319
<u>827,097</u>	<u>59,930</u>	<u>887,027</u>
<u>\$765,553</u>	<u>\$149,793</u>	<u>\$915,346</u>

The accompanying notes are an integral part of these financial statements.

HIRED

STATEMENTS OF FUNCTIONAL EXPENSES

For The Years Ended June 30, 2005 and 2004

	2005			
	Program Services - Employment Services and Training	Management and General	Fundraising	Total
Participant services	\$2,509,975	\$ -	\$ -	\$2,509,975
Salaries and wages	4,821,869	831,630	28,308	5,681,807
Space costs (see Note 5)	441,920	32,038	806	474,764
Payroll taxes	447,334	69,295	2,467	519,096
Supplies	184,394	34,855	3,582	222,831
Fringe benefits	812,553	114,104	1,795	928,452
Telephone	249,026	69,154	1,178	319,358
Depreciation and amortization (see Note 1H)	-	112,525	-	112,525
Equipment rent and maintenance	62,424	38,461	892	101,777
Small equipment	36,070	14,258	37	50,365
Travel	46,751	1,147	66	47,964
Postage	53,363	8,288	410	62,061
Insurance	11,977	5,733	49	17,759
Payroll processing	-	20,477	-	20,477
Consulting	11,145	53,379	-	64,524
Other	-	87,796	1,000	88,796
	<u>\$9,688,801</u>	<u>\$1,493,140</u>	<u>\$40,590</u>	<u>\$11,222,531</u>

The accompanying notes are an integral part of these financial statements.

Statement 3

2004

Program Services - Employment Services and Training	Management and General	Fundraising	Total
\$3,214,406	\$ -	\$ -	\$3,214,406
4,213,610	808,975	23,089	5,045,674
400,251	24,806	204	425,261
430,608	75,436	2,359	508,403
157,470	44,041	7,763	209,274
662,994	104,567	1,236	768,797
202,602	43,919	76	246,597
293	98,254	-	98,547
57,345	11,912	5	69,262
65,724	13,801	-	79,525
44,683	6,538	104	51,325
44,637	7,595	844	53,076
11,285	4,059	5	15,349
-	15,502	-	15,502
5,580	99,009	-	104,589
-	35,890	-	35,890
<u>\$9,511,488</u>	<u>\$1,394,304</u>	<u>\$35,685</u>	<u>\$10,941,477</u>

The accompanying notes are an integral part of these financial statements.

HIRED

STATEMENTS OF CASH FLOWS

For The Years Ended June 30, 2005 and 2004

Statement 4

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Increase in net assets	\$66,126	\$28,319
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	112,525	98,547
Changes in assets and liabilities:		
Receivables	(140,079)	107,112
Prepaid expenses	9,554	(123,747)
Accounts payable and accrued liabilities	275,711	(59,651)
Deferred revenue	130,064	293,021
Net cash provided by operating activities	<u>453,901</u>	<u>343,601</u>
Cash flows from investing activities:		
Capital expenditures	<u>(21,426)</u>	<u>(132,095)</u>
Net increase in cash and cash equivalents	432,475	211,506
Cash and cash equivalents - beginning of year	<u>902,238</u>	<u>690,732</u>
Cash and cash equivalents - end of year	<u><u>\$1,334,713</u></u>	<u><u>\$902,238</u></u>

Supplemental disclosure of cash flow information:

No cash was paid for interest or income taxes in 2005 and 2004.

The accompanying notes are an integral part of these financial statements.

Note 1 SUMMARY OF ACCOUNTING POLICIES

HIRED (the Organization) provides employment assistance to those suffering from economic injury. Funded primarily through contracts from federal and state sources, the Organization's specific goals are determined by the objectives and restrictions of the individual contracts and program operations.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

A. BASIS OF PRESENTATION

Net assets, revenues, expenses, gains, and losses of the Organization are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets – net assets that are not subject to donor-imposed restrictions.
- Temporarily restricted net assets – net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time.

B. BASIS OF ACCOUNTING

Support and revenue and expenses are recorded on the accrual basis of accounting. Revenues from cost reimbursement governmental contract are recognized as costs are incurred. Governmental contract expenditures in excess of the related contract monies drawn result in the recording of governmental contract receivable.

Revenues from other sources including "performance based contracts" are recognized when they become earned. Expenses are recognized when the related liability is incurred.

C. CONTRIBUTIONS RECEIVED

Contributions received are measured at fair value and reported as an increase in net assets. The Organization reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

D. CONTRIBUTED PROPERTY AND EQUIPMENT

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. In 2004 and 2005 there were no contributions of property or equipment.

HIRED**NOTES TO FINANCIAL STATEMENTS**June 30, 2005 and 2004

E. CONTRIBUTED SERVICES AND MATERIALS

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received.

F. CASH

The Organization maintains cash balances at one financial institution located in Minnesota. Accounts at this institution are secured by the Federal Deposit Insurance Corporation up to \$100,000. The Organization's cash balances at times may exceed the insured limit. At June 30, 2005 and 2004, the Organization's bank balances at Wells Fargo exceeded the insured limit by approximately \$1,200,000 and \$1,180,000, respectively. The Organization has not experienced any losses in such accounts in the past.

G. RECEIVABLES

Most of the receivables of the Organization relate to governmental contracts as disclosed in Note 3. Credit is also granted to local businesses and organizations as part of certain program services. The Organization considers contracts and other receivables to be fully collectible; accordingly, no allowance for doubtful accounts is provided. If amounts become uncollectible, they will be charged to operations when that determination is made.

H. PROPERTY AND EQUIPMENT

The Organization generally capitalizes property and equipment acquisitions in excess of \$3,000. Property and equipment acquired are capitalized and carried at cost, if purchased, or at fair market value on date of donation, if donated. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives of between three to eight years using the straight-line method.

Property and equipment acquired with governmental contracts, which remain the property of the Organization upon termination of the contracts, are capitalized and carried at cost. Property and equipment acquired with governmental contracts, which revert to the funding government upon termination of the program, are treated as expenses for the year in which the liability is incurred. As such, depreciation is not provided. Title to these assets remains with the funding government.

I. INCOME TAXES

The Internal Revenue Service, in a letter dated August 2, 1991, has determined that the Organization is exempt from federal income tax under Section 501(a) of the Internal Revenue Code, as an organization as described in Section 501(c)(3). Similar exemptions exist under Minnesota statutes.

HIRED

NOTES TO FINANCIAL STATEMENTS

June 30, 2005 and 2004

J. ACCRUED VACATION PAY

Employees accrue vacation time throughout the year and any unused amounts at an employee's anniversary date are not carried forward. Most employees' vacation pay is reimbursable through various governmental contracts.

Prior to 2005, the Organization did not record the contract reimbursable vacation pay liability or the offsetting unbilled accounts receivable. For comparability purposes, 2004 contracts receivable unbilled and accrued payroll, vacation and related taxes have both been restated with offsetting increases of \$129,796. This change does not affect net assets or the change in net assets for 2004 or 2005.

K. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program services and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain expenses have been allocated among the programs and the supporting services that received benefit.

L. USE OF ESTIMATES

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30:

	<u>2005</u>	<u>2004</u>
Donations to be used for employment and training programs	<u>\$172,863</u>	<u>\$149,793</u>

HIRED
NOTES TO FINANCIAL STATEMENTS
June 30, 2005 and 2004

Note 3 **CONTRACTS RECEIVABLE - BILLED**

Contracts receivable – billed consist of the following at June 30:

	<u>2005</u>	<u>2004</u>
Hennepin County	\$169,452	\$395,797
City of Minneapolis	336,078	138,777
State of Minnesota	(1,057)	-
City of St. Paul	-	133,469
Ramsey County	483,452	258,192
Washington County	37,998	-
Dakota County	7,518	-
Anoka County	18,707	-
Other	<u>3,160</u>	<u>9,439</u>
Total	<u><u>\$1,055,308</u></u>	<u><u>\$935,674</u></u>

Note 4 **LINE OF CREDIT**

The Organization has \$240,000 available under a line of credit agreement with a bank, which expires on March 19, 2007. The interest rate is 1.00% over the bank's base lending rate. The line of credit is collateralized by the assets of the Organization. Borrowings are due on demand. There were no amounts outstanding under this line of credit as of June 30, 2005 and 2004.

HIRED

NOTES TO FINANCIAL STATEMENTS

June 30, 2005 and 2004

Note 5 COMMITMENTS AND CONTINGENCIES

PROGRAM COMPLIANCE

Federal and state contracts are subject to financial and compliance regulation. To the extent that any expenditures are disallowed, a liability to the respective funding government could result.

LEASES

The Organization leases certain office facilities and equipment at several locations with options to renew. Lease agreements include provisions for termination should government funding become unavailable. Under current agreements, the minimum future lease commitments for the Organization for the years ended June 30 are as follows:

2006	\$153,269
2007	135,330
2008	130,521

Rent expense for the Organization was \$474,764 and \$425,261 in 2005 and 2004, respectively.

Note 6 EMPLOYEE BENEFIT PLANS

The Organization has a defined contribution plan for the benefit of all employees who meet certain service requirements. Contributions to the plan are made by the Organization and are equal to 4% of the participants' compensation. Total Organization contributions to the plan were \$195,484 and \$164,876 in 2005 and 2004, respectively.

The Organization also has a 403(b) plan that allows for employee contributions. The Organization does not contribute to the 403(b) plan.

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SUPPLEMENTAL INFORMATION

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	Hennepin County					Federal WIA DW South
	Program Fund	Program Fund Development	WIA Adult	State DW South	State DW North	
Support and revenue:						
Governmental contracts	\$41,298	\$ -	\$54,848	\$624,875	\$519,130	\$254,916
Contributions	175,307	-	-	-	-	-
Other	22,076	-	-	-	-	-
Total support and revenue	<u>238,681</u>	<u>0</u>	<u>54,848</u>	<u>624,875</u>	<u>519,130</u>	<u>254,916</u>
Expenses:						
Salaries, payroll taxes and fringe benefits	1,119,142	32,571	19,194	196,941	175,773	92,342
Participant services	62,107	-	21,418	289,176	198,433	94,750
General administration	258,523	5,322	4,053	41,707	36,620	18,391
Equipment rental and maintenance	40,583	892	101	1,303	1,206	682
Depreciation and amortization	112,525	-	-	-	-	-
Space costs	32,400	806	2,897	16,167	40,876	10,187
Other operating costs - net of miscellaneous reimbursements	(1,420,816)	1,000	7,185	79,581	66,222	38,564
Total expenses	<u>204,464</u>	<u>40,591</u>	<u>54,848</u>	<u>624,875</u>	<u>519,130</u>	<u>254,916</u>
Changes in net assets	<u>\$34,217</u>	<u>(\$40,591)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these financial statements.

HIRED**OPERATIONS BY PROGRAM**

For The Year Ended June 30, 2005

	Hennepin County					
	Federal	MN AID	MN AID	State	Local	Local
	WIA DW North	DW 1	DW 2	Workers DW	Government Worker DW North	Government Worker DW South
Support and revenue:						
Governmental contracts	\$251,128	\$51,752	\$137,331	\$36,285	\$18,009	\$18,639
Contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total support and revenue	<u>251,128</u>	<u>51,752</u>	<u>137,331</u>	<u>36,285</u>	<u>18,009</u>	<u>18,639</u>
Expenses:						
Salaries, payroll taxes and fringe benefits	91,738	28,068	69,771	8,239	10,003	9,292
Participant services	90,853	7,576	29,922	19,695	2,312	5,575
General administration	16,493	7,670	12,070	3,758	2,594	2,417
Equipment rental and maintenance	702	335	147	224	220	-
Depreciation and amortization	-	-	-	-	-	-
Space costs	14,206	2,584	8,974	923	-	-
Other operating costs - net of miscellaneous reimbursements	37,136	5,519	16,447	3,746	2,880	1,355
Total expenses	<u>251,128</u>	<u>51,752</u>	<u>137,331</u>	<u>36,585</u>	<u>18,009</u>	<u>18,639</u>
Changes in net assets	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$300)</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these financial statements.

Hennepin County

EIP	MFIP	MFIP Tier II	State Non-profits DW North	State Non-profits DW South	EJ	EIP Youth Internships	WISE
\$9,600	\$2,081,834	\$245,610	\$13,949	\$7,813	\$212,947	\$20,201	\$32,517
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>9,600</u>	<u>2,081,834</u>	<u>245,610</u>	<u>13,949</u>	<u>7,813</u>	<u>212,947</u>	<u>20,201</u>	<u>32,517</u>
-	1,374,299	157,701	4,017	3,197	112,827	3,639	15,688
9,600	224,469	21,139	7,128	2,050	45,870	14,239	9,566
-	124,972	23,280	1,026	872	12,816	743	1,994
-	19,880	4,678	-	-	495	-	13
-	-	-	-	-	-	-	-
-	79,963	13,191	-	-	3,078	-	54
-	258,251	25,621	1,778	1,694	20,674	1,580	5,202
<u>9,600</u>	<u>2,081,834</u>	<u>245,610</u>	<u>13,949</u>	<u>7,813</u>	<u>195,760</u>	<u>20,201</u>	<u>32,517</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,187</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these financial statements.

HIRED**OPERATIONS BY PROGRAM**

For The Year Ended June 30, 2005

	City of Minneapolis					
	WIA Youth	WIA Internships	Sabathani Project	Building Better Futures	METP Fostering Connections	School Workers DW
Support and revenue:						
Governmental contracts	\$170,000	\$20,915	\$196,920	\$39,688	\$13,446	\$36,512
Contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total support and revenue	<u>170,000</u>	<u>20,915</u>	<u>196,920</u>	<u>39,688</u>	<u>13,446</u>	<u>36,512</u>
Expenses:						
Salaries, payroll taxes and fringe benefits	141,030	-	135,993	32,267	12,643	6,759
Participant services	3	19,666	12,471	525	-	25,469
General administration	13,286	200	15,496	3,157	60	643
Equipment rental and maintenance	277	-	2,789	75	-	-
Depreciation and amortization	-	-	-	-	-	-
Space costs	607	-	12,518	586	-	14
Other operating costs - net of miscellaneous reimbursements	14,797	1,049	25,568	3,078	743	3,627
Total expenses	<u>170,000</u>	<u>20,915</u>	<u>204,835</u>	<u>39,688</u>	<u>13,446</u>	<u>36,512</u>
Changes in net assets	<u>\$0</u>	<u>\$0</u>	<u>(\$7,915)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these financial statements.

City of Minneapolis						Ramsey County	
State Workers DW	State DW	Federal Referral DW	State Referral DW	Resource Center	Qwest DW	WIA Adult	MFIP Component 3
\$1,755	\$2,074	\$105,740	\$306,998	\$50,000	\$4,457	\$200,008	\$817,843
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,755</u>	<u>2,074</u>	<u>105,740</u>	<u>306,998</u>	<u>50,000</u>	<u>4,457</u>	<u>200,008</u>	<u>817,843</u>
-	110	70,245	191,936	44,908	2,618	127,830	533,519
1,755	1,904	10,434	44,889	-	1,390	32,505	107,688
-	60	5,339	18,638	1,279	-	13,340	57,829
-	-	2,599	3,304	-	-	734	3,827
-	-	-	-	-	-	-	-
-	-	4,262	12,231	-	-	8,633	39,313
-	-	12,861	36,000	3,813	449	16,966	75,667
<u>1,755</u>	<u>2,074</u>	<u>105,740</u>	<u>306,998</u>	<u>50,000</u>	<u>4,457</u>	<u>200,008</u>	<u>817,843</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these financial statements.

HIRED**OPERATIONS BY PROGRAM**

For The Year Ended June 30, 2005

	Ramsey County					
	MFIP Unpaid Work	MFIP Component 5	3M DW	State Workers DW	Building Lives Enterprise Zone	Building Lives
Support and revenue:						
Governmental contracts	\$218,234	\$394,493	\$18,474	\$281,106	\$257,894	\$49,523
Contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total support and revenue	<u>218,234</u>	<u>394,493</u>	<u>18,474</u>	<u>281,106</u>	<u>257,894</u>	<u>49,523</u>
Expenses:						
Salaries, payroll taxes and fringe benefits	155,474	292,365	2,816	120,810	144,248	32,097
Participant services	659	4,655	12,899	121,971	37,009	5,054
General administration	27,347	36,587	582	9,085	23,930	4,942
Equipment rental and maintenance	1,337	2,275	46	735	2,031	317
Depreciation and amortization	-	-	-	-	-	-
Space costs	12,648	24,867	378	7,692	18,465	2,069
Other operating costs - net of miscellaneous reimbursements	20,769	33,744	1,753	20,813	32,211	5,044
Total expenses	<u>218,234</u>	<u>394,493</u>	<u>18,474</u>	<u>281,106</u>	<u>257,894</u>	<u>49,523</u>
Changes in net assets	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these financial statements.

Ramsey County	State of Minnesota						
Ramsey Youthlead	Banta Dislocated Worker	Storage Tek DW	Best Buy DW	Kodak DW	Bethany Fellowship DW	US Bank DW	Washington Mutual DW
\$750,000	\$44,895	\$90,855	\$165,388	\$29,685	\$110	\$87,812	\$44,615
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>750,000</u>	<u>44,895</u>	<u>90,855</u>	<u>165,388</u>	<u>29,685</u>	<u>110</u>	<u>87,812</u>	<u>44,615</u>
382,186	25,018	59,057	63,619	14,598	96	37,278	18,462
214,368	5,876	7,649	65,939	11,914	-	26,303	12,912
61,082	5,050	5,112	7,320	172	-	7,062	4,279
4,537	386	287	318	4	-	334	-
-	-	-	-	-	-	-	-
21,859	5,164	4,489	5,952	28	-	4,285	1,200
<u>65,968</u>	<u>3,401</u>	<u>14,261</u>	<u>22,240</u>	<u>2,969</u>	<u>14</u>	<u>12,550</u>	<u>7,762</u>
<u>750,000</u>	<u>44,895</u>	<u>90,855</u>	<u>165,388</u>	<u>29,685</u>	<u>110</u>	<u>87,812</u>	<u>44,615</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these financial statements.

HIRED**OPERATIONS BY PROGRAM**

For The Year Ended June 30, 2005

	State of Minnesota					
	Awardcraft DW	Chart Industries DW	Best Buy IT DW	Wells Fargo DW	AMFA DW	Gen Mills 2 Eden Prairie DW
Support and revenue:						
Governmental contracts	\$69,392	\$67,418	\$176,463	\$800	\$1,113	\$122,908
Contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total support and revenue	<u>69,392</u>	<u>67,418</u>	<u>176,463</u>	<u>800</u>	<u>1,113</u>	<u>122,908</u>
Expenses:						
Salaries, payroll taxes and fringe benefits	22,152	13,530	68,431	719	-	9,716
Participant services	27,701	39,430	57,956	-	1,000	87,419
General administration	4,704	5,541	13,425	-	-	8,323
Equipment rental and maintenance	-	42	1,061	-	-	505
Depreciation and amortization	-	-	-	-	-	-
Space costs	4,056	940	11,900	-	-	1,655
Other operating costs - net of miscellaneous reimbursements	10,779	7,935	23,690	81	113	15,290
Total expenses	<u>69,392</u>	<u>67,418</u>	<u>176,463</u>	<u>800</u>	<u>1,113</u>	<u>122,908</u>
Changes in net assets	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these financial statements.

State of Minnesota

Seagate ERAG DW	Seagate DW	PUR DW	ING Reliastar DW	Road Rescue DW	Nestle Purina DW	General Mills DW	Signal DW
\$5,000	\$167,645	\$255,862	(\$1,570)	\$33,653	\$25	\$320	(\$260)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>5,000</u>	<u>167,645</u>	<u>255,862</u>	<u>(1,570)</u>	<u>33,653</u>	<u>25</u>	<u>320</u>	<u>(260)</u>
4,492	46,911	95,269	-	9,863	-	222	-
-	81,318	105,256	-	15,308	-	1,151	-
258	12,919	11,516	-	1,872	-	-	-
-	218	1,250	-	92	-	-	-
-	-	-	-	-	-	-	-
-	3,797	10,835	-	750	-	-	-
250	22,482	31,736	-	5,768	25	96	-
<u>5,000</u>	<u>167,645</u>	<u>255,862</u>	<u>0</u>	<u>33,653</u>	<u>25</u>	<u>1,469</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,570)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,149)</u>	<u>(\$260)</u>

The accompanying notes are an integral part of these financial statements.

HIRED**OPERATIONS BY PROGRAM**

For The Year Ended June 30, 2005

	State of Minnesota					
	Smuckers	Smuckers	Advantek	Advantek	Tension	Tension
	ERAG DW	DW	ERAG DW	DW	ERAG DW	DW
Support and revenue:						
Governmental contracts	\$5,000	\$138,685	\$5,000	\$42,205	\$5,000	\$30,568
Contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total support and revenue	<u>5,000</u>	<u>138,685</u>	<u>5,000</u>	<u>42,205</u>	<u>5,000</u>	<u>30,568</u>
Expenses:						
Salaries, payroll taxes and fringe benefits	4,750	31,153	4,151	16,829	4,022	10,409
Participant services	-	76,859	-	8,809	-	13,130
General administration	-	7,742	599	7,002	728	2,807
Equipment rental and maintenance	-	40	-	58	-	9
Depreciation and amortization	-	-	-	-	-	-
Space costs	-	3,039	-	1,370	-	583
Other operating costs - net of miscellaneous reimbursements	250	19,852	250	8,137	250	3,630
Total expenses	<u>5,000</u>	<u>138,685</u>	<u>5,000</u>	<u>42,205</u>	<u>5,000</u>	<u>30,568</u>
Changes in net assets	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these financial statements.

Statement of Minnesota				Washington County	Dakota County		
Innovex ERAG DW	Innovex DW	3M Auto Graphics ERAG	3M Auto Graphics DW	Washington County MFIP	Dakota County DW	Qualex ERAG DW	Qualex DW
\$5,000	\$23,049	\$5,000	\$20,396	\$132,207	\$207,250	\$1,583	\$20,768
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>5,000</u>	<u>23,049</u>	<u>5,000</u>	<u>20,396</u>	<u>132,207</u>	<u>207,250</u>	<u>1,583</u>	<u>20,768</u>
2,249	6,097	2,274	13,802	104,355	147,324	1,583	14,388
-	8,933	2,375	714	2,655	-	-	-
2,501	2,929	101	4,820	8,317	14,704	-	2,357
-	9	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,907	-	500	-	15,493	-	-
250	3,174	250	560	16,880	25,132	-	3,890
<u>5,000</u>	<u>23,049</u>	<u>5,000</u>	<u>20,396</u>	<u>132,207</u>	<u>202,653</u>	<u>1,583</u>	<u>20,635</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,597</u>	<u>\$0</u>	<u>\$133</u>

The accompanying notes are an integral part of these financial statements.

HIRED**OPERATIONS BY PROGRAM**

For The Year Ended June 30, 2005

	Anoka County		Resource, Inc.	Other		
	Tiro ERAG DW	Tiro DW		ADC 2 DW	Mpls Public Schools Special Dist No 1 Broadway School Title II	Mpls Public Schools Special Dist No 1 Broadway School Emp. Zone
Support and revenue:						
Governmental contracts	\$1,666	\$34,477	\$14,709	\$47,371	\$19,637	\$151,493
Contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total support and revenue	<u>1,666</u>	<u>34,477</u>	<u>14,709</u>	<u>47,371</u>	<u>19,637</u>	<u>151,493</u>
Expenses:						
Salaries, payroll taxes and fringe benefits	1,216	11,078	9,728	40,776	15,692	112,078
Participant services	-	17,122	1,660	509	-	8,118
General administration	285	1,802	714	2,521	1,523	12,475
Equipment rental and maintenance	-	25	-	18	209	262
Depreciation and amortization	-	-	-	-	-	-
Space costs	-	834	1,010	257	-	373
Other operating costs - net of miscellaneous reimbursements	165	3,616	1,597	3,290	2,213	18,187
Total expenses	<u>1,666</u>	<u>34,477</u>	<u>14,709</u>	<u>47,371</u>	<u>19,637</u>	<u>151,493</u>
Changes in net assets	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these financial statements.

Other							
Mpls Public Schools Special Dist No 1 Broadway School Health Related Services	MN Redwing Corrections	CASH Collaboration	Tree Trust	Northpoints Partnership	McKnight Foundation	National Association of Manufacturers	Total
\$11,483	\$25,125	\$30,000	\$8,000	\$24,711	\$ -	\$ -	\$10,941,274
-	-	-	-	-	100,000	50,000	325,307
-	-	-	-	-	-	-	22,076
<u>11,483</u>	<u>25,125</u>	<u>30,000</u>	<u>8,000</u>	<u>24,711</u>	<u>100,000</u>	<u>50,000</u>	<u>11,288,657</u>
9,875	19,559	18,164	6,520	19,426	58,128	-	7,129,355
-	-	5,001	-	-	5,769	-	2,509,978
109	2,271	2,684	80	1,945	13,429	-	1,050,201
-	3	-	-	-	304	-	101,778
-	-	-	-	-	-	-	112,525
-	15	400	-	-	1,484	-	474,764
<u>1,499</u>	<u>2,968</u>	<u>3,751</u>	<u>1,400</u>	<u>3,340</u>	<u>9,418</u>	<u>-</u>	<u>(156,070)</u>
<u>11,483</u>	<u>24,816</u>	<u>30,000</u>	<u>8,000</u>	<u>24,711</u>	<u>88,532</u>	<u>0</u>	<u>11,222,531</u>
<u>\$0</u>	<u>\$309</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11,468</u>	<u>\$50,000</u>	<u>\$66,126</u>

The accompanying notes are an integral part of these financial statements.

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