

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA**

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2011 AND 2010

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
TABLE OF CONTENTS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEETS	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	4
NOTES TO FINANCIAL STATEMENTS	5
INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION	12
SUPPLEMENTARY INFORMATION	
SCHEDULES OF FUNCTIONAL EXPENSE	13
SCHEDULES OF ACTIVITY IN DESIGNATED FUNDS	14



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Executive and Finance Committees
The American Legion, Department of Minnesota
St. Paul, Minnesota

We have reviewed the accompanying balance sheets of The American Legion, Department of Minnesota as of September 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads 'CliftonLarsonAllen LLP'.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 7, 2011

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 522,761	\$ 508,863
Accounts Receivable	24,622	98,111
Accrued Interest Receivable	6,932	9,165
Inventories	6,571	8,316
Prepaid Expenses	39,104	26,930
Total Current Assets	599,990	651,385
EQUIPMENT AND FURNITURE, Net	100,852	102,017
INVESTMENTS		
Investments	1,342,860	1,306,012
Investment in Unconsolidated Subsidiaries	1,000	1,000
Total Investments	1,343,860	1,307,012
 Total Assets	 \$ 2,044,702	 \$ 2,060,414
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 20,185	\$ 18,595
Accrued Vacation	34,199	30,758
Deferred Revenue	468,396	497,544
Amount Held for Others	14,837	14,335
Total Current Liabilities	537,617	561,232
NET ASSETS		
Unrestricted:		
Undesignated	1,205,707	1,143,597
Designated	301,378	355,585
Total Net Assets	1,507,085	1,499,182
 Total Liabilities and Net Assets	 \$ 2,044,702	 \$ 2,060,414

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2011 AND 2010
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

	2011			2010		
	Unrestricted		Total	Unrestricted		Total
	Undesignated	Designated		Undesignated	Designated	
SUPPORT - CONTRIBUTIONS	\$ 6,591	\$ -	\$ 6,591	\$ 8,969	\$ -	\$ 8,969
REVENUE						
Membership Dues	912,753	-	912,753	948,461	-	948,461
Less: MN Legionnaire Portion	(255,445)	-	(255,445)	(242,185)	-	(242,185)
Revenue Enhancement Sales	341,827	-	341,827	438,795	-	438,795
Grants	10,000	-	10,000	10,000	97,739	107,739
Registration and Fees	-	61,357	61,357	-	54,798	54,798
Investment Income (Loss)	(19,719)	1,670	(18,049)	81,857	1,930	83,787
Royalties	246,458	-	246,458	113,023	-	113,023
In-Kind Rent	66,465	-	66,465	62,096	-	62,096
Loss on Disposal of Assets	(920)	-	(920)	-	-	-
Other	11,663	46,107	57,770	20,152	7,683	27,835
Total Revenue	<u>1,313,082</u>	<u>109,134</u>	<u>1,422,216</u>	<u>1,432,199</u>	<u>162,150</u>	<u>1,594,349</u>
Total Support and Revenue	1,319,673	109,134	1,428,807	1,441,168	162,150	1,603,318
EXPENSES						
Program Expense	721,441	163,341	884,782	673,637	75,352	748,989
Supporting Services:						
Member Development	84,728	-	84,728	123,743	-	123,743
General and Administrative	186,724	-	186,724	251,528	-	251,528
Total Supporting Services	<u>271,452</u>	<u>-</u>	<u>271,452</u>	<u>375,271</u>	<u>-</u>	<u>375,271</u>
Fundraising - Cost of Enhancement Sales	<u>264,670</u>	<u>-</u>	<u>264,670</u>	<u>293,803</u>	<u>-</u>	<u>293,803</u>
Total Expenses	<u>1,257,563</u>	<u>163,341</u>	<u>1,420,904</u>	<u>1,342,711</u>	<u>75,352</u>	<u>1,418,063</u>
CHANGE IN UNRESTRICTED NET ASSETS	62,110	(54,207)	7,903	98,457	86,798	185,255
Net Assets Unrestricted - Beginning of Year	<u>1,143,597</u>	<u>355,585</u>	<u>1,499,182</u>	<u>1,045,140</u>	<u>268,787</u>	<u>1,313,927</u>
NET ASSETS UNRESTRICTED - END OF YEAR	<u>\$ 1,205,707</u>	<u>\$ 301,378</u>	<u>\$ 1,507,085</u>	<u>\$ 1,143,597</u>	<u>\$ 355,585</u>	<u>\$ 1,499,182</u>

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 7,903	\$ 185,255
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	29,453	30,195
Unrealized (Gain) Loss on Investments	71,623	(54,424)
Realized (Gain) Loss from Sale of Investments	(17,736)	11,328
Loss on Disposal of Assets	921	-
(Increase) Decrease in Current Assets:		
Receivables and Prepaid Expenses	63,548	4,203
Inventories	1,745	(5,470)
Increase (Decrease) in Current Liabilities:		
Payables and Accrued Expenses	5,031	9,149
Deferred Revenue	(29,148)	11,725
Amount Held for Others	502	(4)
Net Cash Provided by Operating Activities	133,842	191,957
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Equipment and Furniture	(29,209)	(10,108)
Proceeds from Sale of Investments	512,423	218,644
Purchase of Investments	(603,158)	(273,761)
Net Cash Used by Investing Activities	(119,944)	(65,225)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	13,898	126,732
 Cash and Cash Equivalents - Beginning of Year	508,863	382,131
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 522,761	\$ 508,863

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizational Purpose

The American Legion, Department of Minnesota was organized to support American Legion members and their programs in Minnesota.

Financial Statement Presentation

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

Unrestricted - Resources over which the board of directors has discretionary control. Designated amounts represent those net assets which the board has set aside for a particular program.

Temporarily Restricted - Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or by the passage of time.

Permanently Restricted - Resources subject to donor-imposed restrictions that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

The Organization has no temporarily restricted or permanently restricted net assets at this time.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Inventory

Inventory consists of various promotional items used in the Organization's programs. Inventory is valued at the lower of cost, determined on a first-in, first-out basis, or market.

Equipment and Furniture

All major expenditures for equipment and furniture are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the equipment and furniture, which range from 3 to 10 years.

Investments

The Organization carries its investments at fair value. The net realized gains and losses and unrealized gains and losses on investments are reflected in the statement of activities. Investments in unconsolidated subsidiaries are accounted for using the equity method.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

The Organization accounts receivable consists primarily of revenues from the Minnesota Disability of Veterans Affairs and is recorded as revenue when earned. Receivables are expected to be collectable and therefore the Organization has passed on setting up an allowance for bad debt.

Amount Held for Others

The amounts held for others consist of cash held for the Minnesota State American Legion Bowling Association.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received which are designated for future periods or restricted by donor to a particular purpose are recorded as temporarily restricted revenue until the appropriate future period or the donor purpose is satisfied.

Revenue Recognition

Membership dues collected are recognized as revenue ratably over the period to which the dues relate. Dues collected in advance are recorded as deferred membership revenues until they are earned.

Donated Rent and Services

Donated (in-kind) rent and services are valued at their fair market value. Donated services have not been recognized in these financial statements because no specialized skills as defined by accounting principles generally accepted in the United States of America have been provided. However, a substantial number of members have donated a significant amount of time to advance the Organization's programs.

Advertising Costs

Advertising costs are expensed when incurred.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Concentrations of Credit Risk from Cash Deposits in Excess of Insured Limits

The Organization maintains its cash reserves and cash balances in one financial institution. At times, the amounts on deposit may exceed federally insured limits.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense

Expenses which apply to more than one function are allocated among the functions to which they apply. The allocation of salary expense is made by management's estimates of time expended in each program. Other expenses are allocated on the basis of percentage of time devoted to that function unless a more direct basis is apparent.

Tax Exempt Status

The Organization has a tax exempt status under 501(c)(19) of the Internal Revenue Code and Minnesota Statute, as an organization of past or present members of the armed forces. The Organization has no taxable unrelated business income at this time.

The Organization has adopted the income tax standard regarding the recognition and measurement of uncertain tax positions. The Organization has no current obligation for unrelated business income tax. The Organization's tax returns are open to examinations for the years 2007-2010.

Fair Value Measurement

The Organization accounts for its investments at fair value and has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the Statements of Financial Position are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 - Financial assets and liabilities are valued using inputs quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 - Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes long/short funds, private equity, venture capital, hedge fund, and real assets.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

The following tables present the fair value hierarchy for the balance of the assets of the Organization measured at fair value on a recurring basis as of September 30:

	2011			Total
	Level 1	Level 2	Level 3	
INVESTMENTS:				
Fixed Income - Certificates of Deposit	\$ -	\$ 1,022,592	\$ -	\$ 1,022,592
Equity Securities	320,268	-	-	320,268
Total	<u>\$ 320,268</u>	<u>\$ 1,022,592</u>	<u>\$ -</u>	<u>\$ 1,342,860</u>

	2010			Total
	Level 1	Level 2	Level 3	
INVESTMENTS:				
Fixed Income - Certificates of Deposit	\$ -	\$ 943,422	\$ -	\$ 943,422
Equity Securities	362,590	-	-	362,590
Total	<u>\$ 362,590</u>	<u>\$ 943,422</u>	<u>\$ -</u>	<u>\$ 1,306,012</u>

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 7, 2011, the date the financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments are comprised of the following at September 30:

	2011		2010	
	Cost	Market	Cost	Market
Fixed Income - Certificates of Deposit	\$ 999,000	\$ 1,022,592	\$ 911,000	\$ 943,422
Equity Securities	382,512	320,268	362,041	362,590
Total	<u>\$ 1,381,512</u>	<u>\$ 1,342,860</u>	<u>\$ 1,273,041</u>	<u>\$ 1,306,012</u>

Investment income (loss) for the years ended September 30 consists of the following:

	2011	2010
Interest from Investments	\$ 35,838	\$ 40,691
Realized Gain (Loss)	17,736	(11,328)
Unrealized Gain (Loss)	(71,623)	54,424
Total	<u>\$ (18,049)</u>	<u>\$ 83,787</u>

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

NOTE 3 EQUIPMENT AND FURNITURE

Equipment and furniture consists of the following at September 30:

	2011	2010
Computer and Software	\$ 58,154	\$ 80,599
Other Equipment and Furniture	278,029	269,750
	<u>336,183</u>	<u>350,349</u>
Accumulated Depreciation	(235,331)	(248,332)
Equipment, Net	<u>\$ 100,852</u>	<u>\$ 102,017</u>

NOTE 4 DEFERRED MEMBERSHIP REVENUE

Deferred revenue consists mainly of unearned membership dues totaling \$426,875 and \$459,563 at September 30, 2011 and 2010, respectively.

NOTE 5 UNRESTRICTED NET ASSETS: DESIGNATED

The Executive Committee, by board action, has designated unrestricted net assets for the following purposes:

	2011	2010
Operating Reserve	\$ 200,000	\$ 200,000
Programs	101,378	155,585
Total	<u>\$ 301,378</u>	<u>\$ 355,585</u>

NOTE 6 RELATED PARTY TRANSACTIONS

The Organization has transactions with several organizations in which common board members exist.

The Organization made payments totaling \$305,220 and \$273,762 in fiscal 2011 and 2010, respectively, to The Minnesota Legionnaire, Inc. These payments represent reimbursements of a portion of salary and benefits relating to one employee. These payments also represent an allocation of membership dues for the subscription price of The Minnesota Legionnaire, a publication produced by The Minnesota Legionnaire, Inc., for the members of the Organization. During 2011 and 2010, the Organization remitted \$2.85 and \$2.60, respectively, on each member's behalf. These payments to The Minnesota Legionnaire, Inc. for subscriptions are recognized as a reduction of membership dues.

The Organization made payments totaling \$6,497 and \$6,400 to Legionville School Safety Patrol Training Center, Inc. during years ended September 30, 2011 and 2010, respectively, for reimbursements of business insurance expense and other business expenses.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

NOTE 6 RELATED PARTIES (CONTINUED)

Funds of \$32,115 were contributed for program activities to the Foundation from the Organization for charitable purposes during the year ended September 30, 2011.

The Organization received \$9,863 and \$11,140 from The Minnesota Legionnaire, Inc. during the years ended September 30, 2011 and 2010, respectively, for reimbursement of business and health insurance, retirement fund payments, and phone and insurance allocations.

The Organization also received \$-0- and \$10,092 from Legionville School Safety Patrol Training Center, Inc. during the years ended September 30, 2011 and 2010, respectively, for administrative services, reimbursement of health insurance, retirement fund payments and other business expenses.

The Organization also received \$2,000 from The Minnesota American Legion Foundation during the years ended September 30, 2011 and 2010 for administrative services.

NOTE 7 INVESTMENT IN UNCONSOLIDATED SUBSIDIARY

The Organization owns 100% of the outstanding stock of The American Legion Convention Corporation. The Organization accounts for this investment using the equity method based on the most recent year ended of the subsidiary.

A summary of the financial position and results of operations of the unconsolidated subsidiary for their most recent fiscal year is as follows:

	2011	2010
American Legion Convention Corporation		
Financial Position:		
Assets	\$ 1,000	\$ 1,000
Stockholder's Equity	\$ 1,000	\$ 1,000
Results of Operations:		
Revenues	\$ 18,991	\$ 18,962
Expenses	(19,080)	(18,812)
Net Income	\$ (89)	\$ 150

NOTE 8 FACILITIES

The Organization utilizes facilities which are provided at no cost. The value of these facilities is recorded at the fair market value in revenue as in-kind rent and in the functional expenses as rent. The total fair market value of the rent was \$66,465 and \$62,096 for years ended September 30, 2011 and 2010, respectively.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

NOTE 9 PENSION PLAN

The Organization participates with other affiliated American Legion organizations in a defined contribution profit sharing plan. The plan covers all classes of employees who have completed six months of service. The discretionary retirement expense was \$38,497 and \$38,856 for the years ended September 30, 2011 and 2010, respectively.

NOTE 10 RISKS AND UNCERTAINTIES

The Organization provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect investment balances and the amounts reported in the balance sheet.



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**INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON
SUPPLEMENTARY INFORMATION**

Executive and Finance Committees
The American Legion, Department of Minnesota
St. Paul, Minnesota

Our reviews of the basic financial statements of The American Legion, Department of Minnesota for the years ended September 30, 2011 and 2010 appears on page 1. Our reviews were made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The information included in the accompanying schedules of functional expense and activity in designated funds is presented only for purposes of additional analysis and has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP' in a cursive, flowing script.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 7, 2011

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
SCHEDULES OF FUNCTIONAL EXPENSE
YEARS ENDED SEPTEMBER 30, 2011 AND 2010
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION)**

	2011					2010				
	Program Expense	Supporting Services			2011 Total	Program Expense	Supporting Services			2010 Total
		Member Development	General and Administrative	Total			Member Development	General and Administrative	Total	
Salaries	\$ 247,234	\$ 43,739	\$ 88,046	\$ 131,785	\$ 379,019	\$ 217,409	\$ 64,681	\$ 124,966	\$ 189,647	\$ 407,056
Payroll Taxes	19,255	3,406	6,857	10,263	29,518	17,336	5,158	9,965	15,123	32,459
Employee Benefits	66,860	11,828	23,810	35,638	102,498	55,387	16,478	31,837	48,315	103,702
Professional Fees	-	-	11,178	11,178	11,178	-	-	8,336	8,336	8,336
Supplies	37,011	6,548	13,180	19,728	56,739	33,452	9,952	19,228	29,180	62,632
Telephone	5,156	912	1,836	2,748	7,904	4,150	1,234	2,385	3,619	7,769
Equipment Maintenance	11,388	2,015	4,056	6,071	17,459	11,078	3,296	6,368	9,664	20,742
Postage	5,797	1,026	2,065	3,091	8,888	4,371	1,301	2,513	3,814	8,185
Printing and Copying	3,377	597	1,202	1,799	5,176	2,529	752	1,454	2,206	4,735
Insurance	4,110	727	1,463	2,190	6,300	3,418	1,017	1,965	2,982	6,400
Rent	43,355	7,670	15,440	23,110	66,465	33,159	9,867	19,063	28,930	62,089
Travel	8,585	1,519	3,058	4,577	13,162	5,619	1,672	3,230	4,902	10,521
Promotion	1,642	291	585	876	2,518	1,333	397	766	1,163	2,496
Committees, Conferences and Conventions	237,716	-	-	-	237,716	257,255	-	-	-	257,255
Scholarships and Grants	4,800	-	-	-	4,800	452	-	-	-	452
Investment Management Fees	-	-	4,990	4,990	4,990	-	-	4,114	4,114	4,114
Designated Program Expense	163,341	-	-	-	163,341	75,352	-	-	-	75,352
Other	5,943	1,051	2,116	3,167	9,110	10,562	3,140	6,068	9,208	19,770
Depreciation	19,212	3,399	6,842	10,241	29,453	16,127	4,798	9,270	14,068	30,195
Total Expense	\$ 884,782	\$ 84,728	\$ 186,724	\$ 271,452	\$ 1,156,234	\$ 748,989	\$ 123,743	\$ 251,528	\$ 375,271	\$ 1,124,260

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
SCHEDULE OF ACTIVITY IN DESIGNATED FUNDS
YEAR ENDED SEPTEMBER 30, 2011**

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION)

	Fund Balance 9/30/10	Transfers	Grants	Dues/ Regis- tration	Investment Gain Allocation	Other	Program Expenses	Fund Balance 9/30/11
Natl Convention Book Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,420	\$ (5,147)	\$ 7,273
War Stories Vol 1	-	-	-	-	-	1,238	(6,073)	(4,835)
Gopher Pin	-	-	-	-	-	402	-	402
Arveson Scholarship Reserve	6,106	-	-	-	150	-	-	6,256
Operation Heartbeat	2,181	-	-	-	-	2,455	-	4,636
Joe Kise Books	2,236	-	-	-	-	3,060	-	5,296
Post 1982	7,047	-	-	6,777	200	-	(5,377)	8,647
S.A.L. Dept. Resources	37,879	-	-	49,750	840	-	(45,213)	43,256
S.A.L. P.U.F.L. Fund	20,210	-	-	1,330	480	-	(1,288)	20,732
American Legion Racing	136	-	-	-	-	-	-	136
National Convention	(2,500)	-	-	3,500	-	-	-	1,000
MDVA Grant	97,739	-	-	-	-	2,335	(98,141)	1,933
War Stories	(15,449)	-	-	-	-	24,197	(2,102)	6,646
Operating Reserve	200,000	-	-	-	-	-	-	200,000
Net Assets, Unrestricted								
Designated	<u>\$ 355,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,357</u>	<u>\$ 1,670</u>	<u>\$ 46,107</u>	<u>\$ (163,341)</u>	<u>\$ 301,378</u>

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
SCHEDULE OF ACTIVITY IN DESIGNATED FUNDS
YEAR ENDED SEPTEMBER 30, 2010
(SEE INDEPENDENT ACCOUNTANT'S REPORT ON SUPPLEMENTAL INFORMATION)**

	Fund Balance 9/30/09	Transfers	Grants	Dues/ Regis- tration	Investment Income Allocation	Other	Program Expenses	Fund Balance 9/30/10
Gopher Pin	\$ (104)	\$ -	\$ -	\$ -	\$ -	\$ 104	\$ -	\$ -
Arveson Scholarship Reserve	5,906	-	-	-	200	-	-	6,106
Operation Heartbeat	7,392	-	-	-	-	-	(5,211)	2,181
Joe Kise Books	1,336	-	-	-	-	900	-	2,236
Post 1982	1,887	-	-	8,441	60	-	(3,341)	7,047
S.A.L. Dept. Resources	32,387	-	-	43,536	1,030	-	(39,074)	37,879
American Legion Memorial Scholarship Fund	4,081	-	-	-	-	-	(4,081)	-
Boy Scout Council Assist. Fund	(85)	-	-	-	-	85	-	-
S.A.L. P.U.F.L. Fund	18,301	-	-	1,821	640	-	(552)	20,210
American Legion Racing	136	-	-	-	-	-	-	136
National Convention	(2,450)	-	-	1,000	-	-	(1,050)	(2,500)
MDVA Grant	-	-	97,739	-	-	-	-	97,739
War Stories	-	-	-	-	-	6,594	(22,043)	(15,449)
Operating Reserve	200,000	-	-	-	-	-	-	200,000
Net Assets, Unrestricted								
Designated	<u>\$ 268,787</u>	<u>\$ -</u>	<u>\$ 97,739</u>	<u>\$ 54,798</u>	<u>\$ 1,930</u>	<u>\$ 7,683</u>	<u>\$ (75,352)</u>	<u>\$ 355,585</u>