

Return of Organization Exempt From Income Tax

2006

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

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

A For the **2006** calendar year, or tax year beginning **OCT 1, 2006** and ending **SEP 30, 2007**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization THE AMERICAN LEGION DEPARTMENT OF MINNESOTA	D Employer identification number 41-0121903
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 20 WEST 12TH STREET ROOM 300A STATE VET 300A	E Telephone number 651-291-1800
	City or town, state or country, and ZIP + 4 ST. PAUL, MN 55155	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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).

Hand 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

G Website: **WWW.MNLEGION.ORG**

J Organization type (check only one) 501(c) (19) (insert no.) 4947(a)(1) or 527

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

I Group Exemption Number **925**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **1,744,209.**

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

1 Contributions, gifts, grants, and similar amounts received:					
Revenue	a Contributions to donor advised funds	1a			
	b Direct public support (not included on line 1a)	1b	691,545.		
	c Indirect public support (not included on line 1a)	1c			
	d Government contributions (grants) (not included on line 1a)	1d	96,600.		
	e Total (add lines 1a through 1d) (cash \$ 788,145. noncash \$)	1e			788,145.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			116,833.
	3 Membership dues and assessments	3			605,535.
	4 Interest on savings and temporary cash investments	4			
	5 Dividends and interest from securities	5			48,885.
	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	106,095.		
	Less: cost or other basis and sales expenses	8b	81,777.		
	c Gain or (loss) (attach schedule)	8c	24,318.		
	d Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 2	8d			24,318.
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ of contributions reported on line 1b)	9a				
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			78,716.	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			1,662,432.	
Expenses	13 Program services (from line 44, column (B))	13			
	14 Management and general (from line 44, column (C))	14			
	15 Fundraising (from line 44, column (D))	15			
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses. Add lines 16 and 44, column (A)	17			1,758,435.
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18			-96,003.
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			1,193,213.
	20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 3	20			65,453.
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21			1,162,663.

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**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
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>			STATEMENT 5	
22b Other grants and allocations (attach schedule) (cash \$ <u>306724</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	306,724.			
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	174,861.			
25b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.			
25c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	217,003.			
27 Pension plan contributions not included on lines 25a, b, and c	20,228.			
28 Employee benefits not included on lines 25a - 27	35,627.			
29 Payroll taxes	36,066.			
30 Professional fundraising fees				
31 Accounting fees	11,181.			
32 Legal fees	166.			
33 Supplies	63,607.			
34 Telephone	6,939.			
35 Postage and shipping	42,651.			
36 Occupancy				
37 Equipment rental and maintenance	26,640.			
38 Printing and publications	8,780.			
39 Travel	57,171.			
40 Conferences, conventions, and meetings	240,794.			
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	15,159.			
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 4	494,838.			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	1,758,435.			

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

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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 6	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 ACTIVITIES TO SUPPORT AMERICAN LEGION MEMBERS AND PROGRAMS IN MINNESOTA.	
_____ _____ _____	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
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)	

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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	290,965.	45	314,802.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	6,712.		
	47a			
	b Less: allowance for doubtful accounts			
	47b	7,124.	47c	6,712.
	48 a Pledges receivable			
	48a			
	b Less: allowance for doubtful accounts			
	48b		48c	
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable			
	51a			
b Less: allowance for doubtful accounts				
51b		51c		
52 Inventories for sale or use	1,948.	52	6,323.	
53 Prepaid expenses and deferred charges	34,495.	53	34,580.	
54 a Investments - publicly-traded securities STMT 9 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	1,262,343.	54a	1,380,287.	
b Investments - other securities		54b		
55 a Investments - land, buildings, and equipment: basis				
55a				
b Less: accumulated depreciation				
55b		55c		
56 Investments - other	SEE STATEMENT 7 1,000.	56	1,000.	
57 a Land, buildings, and equipment: basis	57a 223,864.			
57a				
b Less: accumulated depreciation STMT 8	57b 175,895.			
57b	44,825.	57c	47,969.	
58 Other assets, including program-related investments (describe ▶ INTEREST RECEIVABLE)	9,060.	58	8,888.	
59 Total assets (must equal line 74). Add lines 45 through 58	1,651,760.	59	1,800,561.	
Liabilities	60 Accounts payable and accrued expenses	62,606.	60	83,556.
	61 Grants payable		61	
	62 Deferred revenue	382,378.	62	536,469.
	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 ▶ AMOUNT HELD FOR OTHERS)	13,563.	65	17,873.
66 Total liabilities. Add lines 60 through 65	458,547.	66	637,898.	
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	1,193,213.	67	1,162,663.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	1,193,213.	73	1,162,663.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,651,760.	74	1,800,561.

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Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	1,780,359.
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	65,453.
2	Donated services and use of facilities	b2	52,474.
3	Recoveries of prior year grants	b3	
4	Other (specify):	b4	
	Add lines b1 through b4	b	117,927.
c	Subtract line b from line a	c	1,662,432.
d	Amounts included on Part I, line 12, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	0.
e	Total revenue (Part I, line 12). Add lines c and d	e	1,662,432.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	1,810,909.
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	52,474.
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify):	b4	
	Add lines b1 through b4	b	52,474.
c	Subtract line b from line a	c	1,758,435.
d	Amounts included on Part I, line 17, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	0.
e	Total expenses (Part I, line 17). Add lines c and d	e	1,758,435.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(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
SEE STATEMENT 10		144,812.	30,049.	0.

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Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)* Yes No

<p>75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 33</p>			
<p>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)</p>	75b		X
<p>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 the organization? See the instructions for the definition of "related organization."</p> <p>If "Yes," attach a statement that includes the information described in the instructions.</p>	75c		X
<p>d Does the organization have a written conflict of interest policy?</p>	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.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				

Part VI Other Information *(See the instructions.)* Yes No

<p>76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change</p>			
<p>77 Were any changes made in the organizing or governing documents but not reported to the IRS?</p> <p>If "Yes," attach a conformed copy of the changes.</p>	77		X
<p>78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?</p>	78a		X
<p>b If "Yes," has it filed a tax return on Form 990-T for this year?</p>	78b	N/A	
<p>79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement</p>	79		X
<p>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?</p>	80a	X	
<p>b If "Yes," enter the name of the organization ► <u>AMERICAN LEGION CONVENTION CORPORATION</u> and check whether it is <input type="checkbox"/> exempt or <input checked="" type="checkbox"/> nonexempt</p>			
<p>81 a Enter direct or indirect political expenditures. (See line 81 instructions.)</p>	81a	0.	
<p>b Did the organization file Form 1120-POL for this year?</p>	81b		X

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Part VI Other Information (continued)		Yes	No
82 a	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?	82a	<input checked="" type="checkbox"/>
	b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	52,474.
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	<input checked="" type="checkbox"/>
	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	<input checked="" type="checkbox"/>
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	<input checked="" type="checkbox"/>
	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
	b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	c Dues, assessments, and similar amounts from members	85c	N/A
	d Section 162(e) lobbying and political expenditures	85d	N/A
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
	b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a	<input checked="" type="checkbox"/>
	b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	<input checked="" type="checkbox"/>
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ <u>N/A</u> ; section 4912 ▶ <u>N/A</u> ; section 4955 ▶ <u>N/A</u>		
	b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	N/A
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
	e <i>All organizations.</i> At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	<input checked="" type="checkbox"/>
	f <i>All organizations.</i> Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	<input checked="" type="checkbox"/>
	g <i>For supporting organizations and sponsoring organizations maintaining donor advised funds.</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	<input checked="" type="checkbox"/>
90 a	List the states with which a copy of this return is filed ▶ <u>NONE</u>		
	b Number of employees employed in the pay period that includes March 12, 2006	90b	9
91 a	The books are in care of ▶ <u>THE ORGANIZATION</u> Telephone no. ▶ <u>651-291-1800</u> Located at ▶ <u>20 WEST 12TH STREET ROOM 300A STATE VET, ST PAU</u> ZIP + 4 ▶ <u>55155</u>		
	b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b	<input checked="" type="checkbox"/>
	If "Yes," enter the name of the foreign country ▶ <u>N/A</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts.		

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Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
 If "Yes," enter the name of the foreign country N/A

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

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

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a ROYALTIES- MAILING LIST			15	116,833.	
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					605,535.
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	48,885.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	24,318.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MISCELLANEOUS					78,716.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		190,036.	684,251.
105 Total (add line 104, columns (B), (D), and (E))					874,287.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
94	MEMBERSHIP DUES SUPPORT THE AMERICAN LEGIONS PROGRAMS IN MINNESOTA. THERE ARE APPROXIMATELY 126,000 MEMBERS BELONGING TO THE MINNESOTA ORGANIZATION
103A	MISCELLANEOUS REVENUE FORM OTHER PROGRAMS OFFERED TO MEMBERS

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
SEE STATEMENT 11	%			
	%			
	%			
	%			

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).

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

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

Yes	No

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

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

Yes	No

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

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

Yes	No

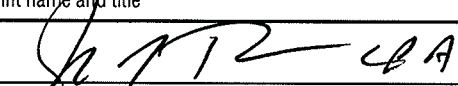
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer _____ Date _____

Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature:  Date: 2/27/08

Check if self-employed:

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

Firm's name (or yours if self-employed), address, and ZIP + 4: LARSON ALLEN LLP, 220 SOUTH SIXTH STREET, SUITE 300, MINNEAPOLIS, MN 55402

EIN: _____

Phone no.: 612-376-4500

Form 990 (2006)

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2006

Name of organization THE AMERICAN LEGION DEPARTMENT OF OF MINNESOTA	Employer identification number 41-0121903
---	---

Organization type (check one):

- Filers of:** **Section:**
- Form 990 or 990-EZ 501(c)(19) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization
- Form 990-PF 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

General Rule-

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, Form 990-EZ, and Form 990-PF.	Schedule B (Form 990, 990-EZ, or 990-PF) (2006)
--	---

Name of organization THE AMERICAN LEGION DEPARTMENT OF OF MINNESOTA	Employer identification number 41-0121903
--	---

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 81,600.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

2006 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 2

990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	FURNITURE AND EQUIPMENT * TOTAL 990 PAGE 2 DEPR	VARIABLES		.000	16	223,864. 223,864.		0.	223,864. 223,864.	175,895. 175,895.	0. 0.	0. 0.

FOOTNOTES

STATEMENT 1

PART II LINE 42

DEPRECIATION IS PROVIDED USING THE STRAIGHT-LINE METHOD
OVER THE ESTIMATED USEFUL LIVES OF THE EQUIPMENT, WHICH
RANGE FROM 3 TO 10 YEARS.

FORM 990	GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES			STATEMENT	2
DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)	
INVESTMENTS	106,095.	81,777.	0.	24,318.	
TO FORM 990, PART I, LINE 8	106,095.	81,777.	0.	24,318.	

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES		STATEMENT	3
DESCRIPTION				AMOUNT
UNREALIZED LOSS ON INVESTMENTS				65,453.
TOTAL TO FORM 990, PART I, LINE 20				65,453.

FORM 990	OTHER EXPENSES				STATEMENT	4
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING		
INSURANCE	8,500.					
PROMOTION INVESTMENT	8,157.					
MANGAGEMENT FEES	4,921.					
OTHER PRODUCTIONS/MAILING EXPENSES	51,596.					
OTHER FUNDRAISING EXPENSES	414,594.					
	7,070.					
TOTAL TO FM 990, LN 43	494,838.					

FORM 990 CASH GRANTS AND ALLOCATIONS TO OTHERS STATEMENT 5

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
VA MEDICAL CENTERS	5,941.
VAMC - ST. CLOUD	64,455.
ROTC SCHOLARSHIPS	3,750.
NURSES SCHOLARSHIPS	2,000.
AL MEMORIAL SCHOLARSHIPS	3,575.
ORATORICAL SCHOLARSHIP	2,800.
ADDITIONAL GRANTS/ALLOCATIONS	491.
MINNESOTA AMERICAN LEGION FOUNDATION	223,712.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B	<u>306,724.</u>

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 6
PART III

EXPLANATION

THE AMERICAN LEGION DEPARTMENT OF MINNESOTA WAS ORGANIZED TO SUPPORT AMERICAN LEGION MEMBERS AND THEIR PROGRAMS IN MINNEOSTA.

FORM 990 OTHER INVESTMENTS STATEMENT 7

DESCRIPTION	VALUATION METHOD	AMOUNT
THE AMERICAN LEGION CONVENTION CORP	COST	1,000.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		1,000.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 8

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE AND EQUIPMENT	223,864.	175,895.	47,969.
TOTAL TO FORM 990, PART IV, LN 57		175,895.	47,969.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 9

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
FIXED INCOME COMMON STOCK	FMV		948,293.		948,293.
	FMV	431,994.			431,994.
TO FORM 990, LINE 54A, COL B		431,994.	948,293.		1,380,287.

 FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, STATEMENT 10
 TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
LYLE R. FOLTZ 20 W 12TH STREET ST PAUL, MN 55155	DEPT ADJUTANT 40.00	74,486.	14,249.	0.
ROGER D. MYREN 21 W 12TH STREET ST PAUL, MN 55156	DEPT COMPTROLLER 50.00	70,326.	15,800.	0.
GLENN MUELLER 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
ARNOLD TROE 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
JIM ELLIS 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
DON AMUNDSON 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
RICHARD MURTAUGH 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
TOM LANNON 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
MICKEY OSTRUM 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
DAVID GUSTAFSON 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
WAYNE HEGLAND 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.

THE AMERICAN LEGION DEPARTMENT OF OF MI

41-0121903

RICHARD HEGDAHL 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
WAYNE GILBERTSON 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
JOHN BEY 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
ARNE GYNILD 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
BOB FRIESEN 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
MARVIN HILL 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
RICHARD ZAHN 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
PAUL ANDERSON 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
RON HENDRICKSON 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
JOHN TORMA 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
ALLEN KARIE 20 W 12TH STREET ST PAUL, MN 55155	DISTRICT COMMANDER 5.00	0.	0.	0.
JAMES E. COPHER 20 W 12TH STREET ST PAUL, MN 55155	DEPT COMMANDER 50.00	0.	0.	0.
FRITZ FLICEK 20 W 12TH STREET ST PAUL, MN 55155	DEPT VICE CDR 15.00	0.	0.	0.

THE AMERICAN LEGION DEPARTMENT OF OF MI

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FLOYD KUMEROW 20 W 12TH STREET ST PAUL, MN 55155	DEPT VICE CDR 15.00	0.	0.	0.
LARRY RYAN 20 W 12TH STREET ST PAUL, MN 55155	DEPT VICE CDR 15.00	0.	0.	0.
TERRY BURAAAS 20 W 12TH STREET ST PAUL, MN 55155	DEPT VICE CDR 15.00	0.	0.	0.
BRUCE KOTTOM 20 W 12TH STREET ST PAUL, MN 55155	DEPT VICE CDR 15.00	0.	0.	0.
VIRGIL PERSING 20 W 12TH STREET ST PAUL, MN 55155	NECMAN 12.00	0.	0.	0.
RAY DEZURIK 20 W 12TH STREET ST PAUL, MN 55155	ALTERNATE NEC 4.00	0.	0.	0.
JOHN H. COX 20 W 12TH STREET ST PAUL, MN 55155	PAST DEPT CDR 3.00	0.	0.	0.
DAN LUDWIG 20 W 12TH STREET ST PAUL, MN 55155	PAST NAT'L CDR 2.00	0.	0.	0.
DON PANKAKE 20 W 12TH STREET ST PAUL, MN 55155	DEPT CHAPLAIN 6.00	0.	0.	0.
MEL OHMAN 20 W 12TH STREET ST PAUL, MN 55155	DEPT HISTORIAN 4.00	0.	0.	0.
WES THOMPSON 20 W 12TH STREET ST PAUL, MN 55155	SERGEANT-AT-ARMS 4.00	0.	0.	0.
DON HAYDEN 20 W 12TH STREET ST PAUL, MN 55155	NAT'L VICE CDR 20.00	0.	0.	0.
MIKE SCHAFFER 20 W 12TH STREET ST PAUL, MN 55155	MEMBERSHIP DIRECOTR 24.00	0.	0.	0.

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DICK HORN	DEPT TREASURER			
20 W 12TH STREET	10.00	0.	0.	0.
ST PAUL, MN 55155				
DON WALSER	DEPT JUDGE ADVOCATE\			
20 W 12TH STREET	10.00	0.	0.	0.
ST PAUL, MN 55155				
TOTALS INCLUDED ON FORM 990, PART V-A		<u>144,812.</u>	<u>30,049.</u>	<u>0.</u>

FORM 990

PART IX - INFORMATION REGARDING TAXABLE
SUBSIDIARIES AND DISREGARDED ENTITIES

STATEMENT 11

NAME OF CORPORATION, PARTNERSHIP OR DISREGARDED ENTITY

AMERICAN LEGION CONVENTION CORPORATION

ADDRESS

STATE VETERANS SERVICE BUILDING, ST PAUL, MN 55155

EMPLOYER ID NUMBER	PERCENT OWNED	NATURE OF ACTIVITIES	TOTAL INCOME	END-OF-YEAR ASSETS
41-0679358	100.00%	CONVENTIONS	17,900.	265.