

990

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2006

Open to Public Inspection

Form 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)

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 SEP 1, 2006 and ending AUG 31, 2007

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

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

C Name of organization

THE MINNESOTA LEGIONNAIRE, INC.

Number and street (or P.O. box if mail is not delivered to street address)

STATE VETERANS SERVICE BUILDING

City or town, state or country, and ZIP + 4

ST. PAUL, MN 55155

D Employer identification number

41-0416485

E Telephone number

651-291-1800

F Accounting method: Cash, Accrual, Other

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: WWW.MNLEGION.ORG

J Organization type (check only one) 501(c)(19) 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.

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If "Yes," enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number. M Check if the organization is not required to attach Sch. B.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 319,086.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with 21 rows and 4 columns. Rows include Revenue (1-12), Expenses (13-17), and Net Assets (18-21). Total revenue is 319,086 and total expenses is 331,351.

823001 01-18-07

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2006)

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.

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
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"/>				
22b Other grants and allocations (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	47,616.			
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				
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27	4,976.			
29 Payroll taxes	2,831.			
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies	2,338.			
34 Telephone	480.			
35 Postage and shipping	173,810.			
36 Occupancy				
37 Equipment rental and maintenance				
38 Printing and publications	90,177.			
39 Travel	7,952.			
40 Conferences, conventions, and meetings				
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)				
43 Other expenses not covered above (itemize):				
a <u>INSURANCE</u>	600.			
b <u>DUES</u>	571.			
c				
d				
e				
f				
g				
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	331,351.			

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

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 2	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 THIS PUBLICATION PROVIDES CURRENT NEWS ON EVENTS HAPPENING IN THE AMERICAN LEGION TO APPROXIMATELY 125,000 MEMBERS.	
(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) ►	

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	161,266.	45	142,462.	
	46 Savings and temporary cash investments	29,702.	46	29,749.	
	47 a Accounts receivable	597.			
	b Less: allowance for doubtful accounts				
			606.	47c	597.
	48 a Pledges receivable				
	b Less: allowance for doubtful accounts			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				
	b Less: allowance for doubtful accounts			51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges			53	
	54 a Investments - publicly-traded securities STMT 3 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		75,399.	54a	76,542.
b Investments - other securities			54b		
55 a Investments - land, buildings, and equipment: basis	55a				
b Less: accumulated depreciation	55b		55c		
56 Investments - other			56		
57 a Land, buildings, and equipment: basis	57a				
b Less: accumulated depreciation	57b		57c		
58 Other assets, including program-related investments (describe INTEREST RECEIVABLE)		348.	58	1,173.	
59 Total assets (must equal line 74). Add lines 45 through 58		267,321.	59	250,523.	
Liabilities	60 Accounts payable and accrued expenses	3,293.	60	2,240.	
	61 Grants payable		61		
	62 Deferred revenue	163,164.	62	158,564.	
	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)		65		
66 Total liabilities. Add lines 60 through 65		166,457.	66	160,804.	
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	100,864.	67	89,719.	
	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)		100,864.	73	89,719.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		267,321.	74	250,523.

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? 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.)		X
	82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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.		
	N/A		
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?		
	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?		
	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		X
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		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 N/A; section 4912 N/A; section 4955 N/A		
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		
	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	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89g			
90 a	List the states with which a copy of this return is filed		
	NONE		
b	Number of employees employed in the pay period that includes March 12, 2006		1
91 a	The books are in care of		
	ROGER MYREN Telephone no. 651-291-1800		
	Located at STATE VETERANS SERVICE BUILDING, ST PAUL, MN ZIP + 4 55155		
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)? If "Yes," enter the name of the foreign country		X
	N/A		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c
 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.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a ADVERTISING	541800	48,291.			
b SUBSCRIPTIONS					241,473.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	3,322.	
96 Dividends and interest from securities					
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					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a CONT. BY AFFILIATE					26,000.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		48,291.		3,322.	267,473.
105 Total (add line 104, columns (B), (D), and (E))					319,086.

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).

93B THESE FUNDS ARE USED TO COVER THE EXPENSES INCURRED IN ORDER TO
 103A PUBLISH THE "MINNESOTA LEGIONNAIRE" WHICH KEEPS MEMBERS INFORMED OF
 CURRENT EVENTS WITHIN THE AMERICAN LEGION.

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
	%			
N/A	%			
	%			
	%			

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).

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.

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

Yes	No

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.

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

Yes	No

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: 1/16/08 Check if self-employed:

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

Preparer's SSN or PTIN (See Gen. Inst. X): _____ EIN: _____ Phone no.: 612-376-4500

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.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
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.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
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?

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 _____ 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 **LARSONALLEN LLP**
220 SOUTH SIXTH STREET, SUITE 300
MINNEAPOLIS, MN 55402

EIN _____ Phone no. **612-376-4500**

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 1

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENTS	1,120.
TOTAL TO FORM 990, PART I, LINE 20	1,120.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III STATEMENT 2

EXPLANATION

MN LEGIONNAIRE IS RESPONSIBLE FOR PUBLISHING THE LEGIONNAIRE, A NEWSPAPER SUBSCRIBED TO BY MEMBERS OF THE AMERICAN LEGION, DEPT OF MN

FORM 990 GOVERNMENT SECURITIES STATEMENT 3

DESCRIPTION	COST/FMV	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
U.S. GOVERNMENT OBLIGATIONS	FMV	76,542.		76,542.
TOTAL TO FORM 990, LINE 54A, COL B		76,542.		76,542.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, STATEMENT 4
 TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
JIM COPHER STATE VETERANS SERVICE BUILDING ST. PAUL, MN 55155	PRESIDENT 2.00	0.	0.	0.
JACK SCHULSTAD STATE VETERANS SERVICE BUILDING ST. PAUL, MN 55155	VICE PRESIDNET 1.00	0.	0.	0.
LYLE FOLTZ STATE VETERANS SERVICE BUILDING ST. PAUL, MN 55155	SECRETARY 1.00	0.	0.	0.
RICHARD HORN STATE VETERANS SERVICE BUILDING ST. PAUL, MN 55155	TREASURER 1.00	0.	0.	0.
DON AMUNDSON STATE VETERANS SERVICE BUILDING ST. PAUL, MN 55155	MEMBER 0.50	0.	0.	0.
JOE BAYER STATE VETERANS SERVICE BUILDING ST. PAUL, MN 55155	MEMBER 0.50	0.	0.	0.
BOB HIRMER STATE VETERANS SERVICE BUILDING ST. PAUL, MN 55155	MEMBER 0.50	0.	0.	0.
CLINTON BURT STATE VETERANS SERVICE BUILDING ST. PAUL, MN 55155	MEMBER 0.50	0.	0.	0.
VIRGIL PERSING STATE VETERANS SERVICE BUILDING ST. PAUL, MN 55155	MEMBER 0.50	0.	0.	0.
ALAN ZDON STATE VETERANS SERVICE BUILDING ST. PAUL, MN 55155	EDITOR 40.00	37,365.	10,251.0.	
TOTALS INCLUDED ON FORM 990, PART V-A		37,365.	10,251.0.	

FORM 990

IDENTIFICATION OF RELATED ORGANIZATIONS
PART VI, LINE 80B

STATEMENT 5

NAME OF ORGANIZATION

EXEMPT

NONEXEMPT

MINNESOTA AMERICAN LEGION PUBLICATIONS CORP

X

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

Department of the Treasury Internal Revenue Service

For calendar year 2006 or other tax year beginning SEP 1, 2006, and ending AUG 31, 2007

Form sections A through J: A Check box if address changed; B Exempt under section 501(c)(19); C Book value of all assets at end of year 250,523; D Employer identification number 41-0416485; E Unrelated business activity codes 541800; F Group exemption number 925; G Check organization type 501(c) corporation; H Describe the organization's primary unrelated business activity SEE STATEMENT 7; I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? No; J The books are in care of ROGER MYREN Telephone number 651-291-1800

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include 1a Gross receipts or sales, 2 Cost of goods sold, 3 Gross profit, 4a Capital gain net income, 5 Income (loss) from partnerships and S corporations, 6 Rent income, 7 Unrelated debt-financed income, 8 Interest, annuities, royalties, and rents from controlled organizations, 9 Investment income of a section 501(c)(7), (9), or (17) organization, 10 Exploited exempt activity income, 11 Advertising income, 12 Other income, 13 Total. Combine lines 3 through 12. Total: 48,291. 49,752. -1,461.

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include 14 Compensation of officers, directors, and trustees, 15 Salaries and wages, 16 Repairs and maintenance, 17 Bad debts, 18 Interest, 19 Taxes and licenses, 20 Charitable contributions, 21 Depreciation, 22 Less depreciation claimed on Schedule A and elsewhere on return, 23 Depletion, 24 Contributions to deferred compensation plans, 25 Employee benefit programs, 26 Excess exempt expenses, 27 Excess readership costs, 28 Other deductions, 29 Total deductions, 30 Unrelated business taxable income before net operating loss deduction, 31 Net operating loss deduction, 32 Unrelated business taxable income before specific deduction, 33 Specific deduction, 34 Unrelated business taxable income. Total deductions: 0. Unrelated business taxable income before net operating loss deduction: -1,461. Net operating loss deduction: 0. Unrelated business taxable income before specific deduction: -1,461. Specific deduction: 1,000. Unrelated business taxable income: -1,461.

Part III Tax Computation

Table with 3 columns: Description, Line Number, Amount. Includes rows for Organizations Taxable as Corporations (35), Trusts Taxable at Trust Rates (36), Proxy tax (37), Alternative minimum tax (38), and Total (39).

Part IV Tax and Payments

Table with 3 columns: Description, Line Number, Amount. Includes rows for Foreign tax credit (40a-40e), Other taxes (42), Total tax (43), Payments (44a-44g), Total payments (45), Estimated tax penalty (46), Tax due (47), Overpayment (48), and Refunded (49).

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

Table with 3 columns: Question, Yes, No. Includes questions about foreign accounts, foreign trusts, and tax-exempt interest.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

Table with 3 columns: Description, Line Number, Amount. Includes rows for Inventory at beginning/end of year, Purchases, Cost of labor, Additional section 263A costs, and Total.

Sign Here: 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 taxpayer) is based on all information of which preparer has any knowledge.

Paid Preparer's Use Only: Includes fields for Preparer's signature, Date, Title, Firm's name (LARSONALLEN LLP), address (220 SOUTH SIXTH STREET, SUITE 300, MINNEAPOLIS, MN 55402), EIN (41-0746749), and Phone no. (612-376-4500).

Part III Tax Computation

Table with 3 columns: Description, Line Number, Amount. Includes rows for Organizations Taxable as Corporations, Trusts Taxable at Trust Rates, Proxy tax, Alternative minimum tax, and Total.

Part IV Tax and Payments

Table with 3 columns: Description, Line Number, Amount. Includes rows for Foreign tax credit, Other credits, General business credit, Total credits, Subtract line 40e from line 39, Other taxes, Total tax, Payments (A 2005 overpayment credited to 2006), Total payments, Estimated tax penalty, Tax due, Overpayment, and Enter the amount of line 48 you want.

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

Table with 3 columns: Question, Yes, No. Includes questions about foreign financial accounts, foreign trusts, and tax-exempt interest.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

Table with 3 columns: Description, Line Number, Amount. Includes rows for Inventory at beginning/end of year, Purchases, Cost of labor, Additional section 263A costs, and Do the rules of section 263A apply to the organization?

Sign Here

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 taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer, Date, Title

May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No

Paid Preparer's Use Only section containing Preparer's signature, Date (1/18/08), Firm's name (LARSON ALLEN LLP), address (220 SOUTH SIXTH STREET, SUITE 300 MINNEAPOLIS, MN 55402), EIN (41-0746749), and Phone no. (612-376-4500).

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instr. on pg 20)

1 Description of property

Table with 4 rows for property description (1-4).

Table for Rent received or accrued, split into (a) From personal property and (b) From real and personal property. Includes Total row with 0.0.

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0. Total deductions. Enter here and on page 1, Part I, line 6, column (B) 0.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 20)

Table for Description of debt-financed property, Gross income from or allocable to debt-financed property, and Deductions directly connected with or allocable to debt-financed property.

Table for Amount of average acquisition debt, Average adjusted basis, Column 4 divided by column 5, Gross income reportable, and Allocable deductions.

Totals. Total dividends-received deductions included in column 8. Includes 0.0 values.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 21)

Table for Name of Controlled Organization, Employer Identification Number, and Exempt Controlled Organizations (Net unrelated income, Total of specified payments made, Part of column 4 that is included, Deductions directly connected).

Table for Nonexempt Controlled Organizations (Taxable Income, Net unrelated income, Total of specified payments made, Part of column 9 that is included, Deductions directly connected).

Totals. Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). Includes 0.0 values.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions on page 22)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A). 0.		Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions on page 22)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.			Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions on page 23)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1) THE MINNESOTA						
(2) LEGIONNAIRE	48,291.	49,752.	-1,461.			
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)		Enter here and on page 1, Part I, line 11, col. (A). 48,291.	Enter here and on page 1, Part I, line 11, col. (B). 49,752.			Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 23)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14			0.

