

**LEGIONVILLE SCHOOL SAFETY PATROL  
TRAINING CENTER, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED OCTOBER 31, 2011 AND 2010**

**LEGIONVILLE SCHOOL SAFETY PATROL  
TRAINING CENTER, INC.  
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YEARS ENDED OCTOBER 31, 2011 AND 2010**

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CliftonLarsonAllen LLP  
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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Legionville School Safety Patrol Training Center, Inc.  
St. Paul, Minnesota

We have reviewed the accompanying balance sheets of Legionville School Safety Patrol Training Center, Inc. as of October 31, 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 reviews, 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.

*CliftonLarsonAllen LLP*  
**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 9, 2011

**LEGIONVILLE SCHOOL SAFETY PATROL  
TRAINING CENTER, INC.  
BALANCE SHEETS  
OCTOBER 31, 2011 AND 2010  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

	2011	2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 37,930	\$ 104,360
Accounts Receivable	2,414	-
Accrued Interest Receivable	1,016	1,286
Inventories	35,448	8,237
Total Current Assets	76,808	113,883
<b>PROPERTY AND EQUIPMENT, NET</b>	212,984	138,724
<b>OTHER ASSETS</b>		
Investments	161,075	202,845
Total Assets	\$ 450,867	\$ 455,452
<b>LIABILITIES AND NET ASSETS</b>		
<b>NET ASSETS</b>		
Unrestricted	\$ 419,630	\$ 440,743
Temporarily Restricted	22,553	13,405
Total Net Assets	442,183	454,148
Total Liabilities and Net Assets	\$ 450,867	\$ 455,452

See accompanying Notes to Financial Statements.

**LEGIONVILLE SCHOOL SAFETY PATROL  
TRAINING CENTER, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED OCTOBER 31, 2011 AND 2010  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

	2011		
	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Support:			
Contributions	\$ 50,250	\$ 21,770	\$ 72,020
Revenue:			
Registrations	176,000	-	176,000
Sales	30,616	-	30,616
Interest Income	3,533	-	3,533
Lease Revenue	3,797	-	3,797
Unrealized Gain (Loss) on Investments	(1,770)	-	(1,770)
Miscellaneous	3,288	-	3,288
Subtotal Support and Revenue	<u>215,464</u>	<u>-</u>	<u>215,464</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>12,622</u>	<u>(12,622)</u>	<u>-</u>
Total Support and Revenue	278,336	9,148	287,484
<b>EXPENSE</b>			
Program Services:			
Salaries	96,294	-	96,294
Payroll Taxes	7,367	-	7,367
Employee Benefits	-	-	-
Cost of Goods Sold	23,633	-	23,633
Supplies	21,021	-	21,021
Telephone	5,074	-	5,074
Occupancy	11,455	-	11,455
Utilities	22,083	-	22,083
Insurance	22,602	-	22,602
Repairs and Maintenance	24,552	-	24,552
Travel and Meetings	10,644	-	10,644
Food	24,011	-	24,011
Miscellaneous	5,244	-	5,244
Depreciation	14,383	-	14,383
Total Program Services	<u>288,363</u>	<u>-</u>	<u>288,363</u>
Support Services - Management and General:			
Professional Fees	11,086	-	11,086
Total Expense	<u>299,449</u>	<u>-</u>	<u>299,449</u>
<b>CHANGE IN NET ASSETS</b>	(21,113)	9,148	(11,965)
Net Assets - Beginning of Year	<u>440,743</u>	<u>13,405</u>	<u>454,148</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 419,630</u>	<u>\$ 22,553</u>	<u>\$ 442,183</u>

See accompanying Notes to Financial Statements.

2010		
Unrestricted	Temporarily Restricted	Total
\$ 34,204	\$ 1,000	\$ 35,204
176,200	-	176,200
27,127	-	27,127
3,463	-	3,463
3,697	-	3,697
2,609	-	2,609
2,466	-	2,466
<u>215,562</u>	<u>-</u>	<u>215,562</u>
7,571	(7,571)	-
<u>257,337</u>	<u>(6,571)</u>	<u>250,766</u>
81,999	-	81,999
12,570	-	12,570
7,590	-	7,590
23,976	-	23,976
25,452	-	25,452
5,174	-	5,174
9,750	-	9,750
8,349	-	8,349
24,084	-	24,084
24,564	-	24,564
12,331	-	12,331
22,908	-	22,908
18,574	-	18,574
12,405	-	12,405
<u>289,726</u>	<u>-</u>	<u>289,726</u>
4,516	-	4,516
<u>294,242</u>	<u>-</u>	<u>294,242</u>
(36,905)	(6,571)	(43,476)
<u>477,648</u>	<u>19,976</u>	<u>497,624</u>
<u>\$ 440,743</u>	<u>\$ 13,405</u>	<u>\$ 454,148</u>

**LEGIONVILLE SCHOOL SAFETY PATROL  
TRAINING CENTER, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED OCTOBER 31, 2011 AND 2010  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (11,965)	\$ (43,476)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	14,383	12,405
Impairment of Property and Equipment	-	8,681
Unrealized (Gain) Loss on Investments	1,770	(2,609)
Capital Contributions	(9,620)	-
(Increase) Decrease in Receivables	(2,144)	2,778
(Increase) Decrease in Inventories	(27,211)	8,252
Increase in Accounts Payable	7,380	1,304
Net Cash Used by Operating Activities	<u>(27,407)</u>	<u>(12,665)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	-	(150,000)
Proceeds on Sale of Investments	40,000	150,000
Purchases of Property and Equipment	<u>(88,643)</u>	<u>(6,021)</u>
Net Cash Used by Investing Activities	(48,643)	(6,021)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital Contributions	<u>9,620</u>	<u>-</u>
<b>NET DECREASE IN CASH</b>	(66,430)	(18,686)
Cash - Beginning of Year	<u>104,360</u>	<u>123,046</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 37,930</u></u>	<u><u>\$ 104,360</u></u>

See accompanying Notes to Financial Statements.

**LEGIONVILLE SCHOOL SAFETY PATROL  
TRAINING CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011 AND 2010  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organizational Purpose**

The Legionville School Safety Patrol Training Center, Inc. (Legionville or the Organization) offers summer camps for youngsters between the ages of ten and thirteen. Legionville provides instruction for school and school bus patrol officers, nature study, conservation training, and boat and water safety lessons to children from Minnesota which are conducted in a summer camp environment.

**Financial Statement Presentation**

Net assets and revenues, gains and losses are classified based on donor imposed restrictions. Accordingly, net assets of Legionville School Safety Patrol Training Center, Inc. and changes therein are classified and reported as follows:

Unrestricted – Resources over which the board of directors has discretionary control. Designated amounts represent those revenues which the board has set aside for a particular purpose.

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

**Cash**

The Organization maintains cash accounts at two financial institutions. At times the amounts on deposit may exceed federally insured limits.

**Inventories**

Inventories consist of souvenirs and promotional items used for various Legionville programs. Inventory is valued at the lower of cost, determined on a first-in, first-out basis, or market.

**Property and Equipment**

All major expenditures for land, buildings and equipment are capitalized at cost. Contributed items are recorded at fair market value at date of donation. Depreciation is provided through the use of the straight-line method over their estimated useful lives. Depreciable lives range from five to thirty-nine years.

**Investments**

Investments are recorded at fair market value. Accordingly, unrealized gains and losses are recognized in the statements of activity as unrealized gains and losses. Realized gains and losses are determined using the specific identification method.

**LEGIONVILLE SCHOOL SAFETY PATROL  
TRAINING CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011 AND 2010  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

Contributions are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor.

The Organization has elected to present temporarily restricted contributions, which are fulfilled in the same time period, within the unrestricted net asset class. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**In-Kind Services**

Many individuals volunteer their time to Legionville each year. Although their contributions are valuable to the program, no donated services have been recognized in these financial statements because no specialized skills as defined by generally accepted accounting principles have been provided.

**Functional Expense**

The Organization's costs of providing its services have been classified on a functional basis in the statements of activities. Expenses are not allocated since they have direct relationships to a particular functional expense.

**Tax Exempt Status**

Legionville has a tax exempt status under Section 501(a) as an organization described in 501(c)(3) of the Internal Revenue Code and Minnesota Statute. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and charitable contributions by donors are tax deductible.

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 through 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.

**LEGIONVILLE SCHOOL SAFETY PATROL  
TRAINING CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011 AND 2010  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurement (Continued)**

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 following table presents the fair value hierarchy for the balance of the assets of the Organization measured at fair value on a recurring basis as of October 31:

	2011			
	Level 1	Level 2	Level 3	Total
<b>INVESTMENTS</b>				
Certificates of Deposit	\$ -	\$ 161,075	\$ -	\$ 161,075
	<u>\$ -</u>	<u>\$ 161,075</u>	<u>\$ -</u>	<u>\$ 161,075</u>
	2010			
	Level 1	Level 2	Level 3	Total
<b>INVESTMENTS</b>				
Certificates of Deposit	\$ -	\$ 202,845	\$ -	\$ 202,845
	<u>\$ -</u>	<u>\$ 202,845</u>	<u>\$ -</u>	<u>\$ 202,845</u>

**Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. 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.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 9, 2011, the date the financial statements were available to be issued.

**NOTE 2 PROPERTY AND EQUIPMENT**

Legionville holds the following property and equipment as of October 31:

	2011	2010
Land	\$ 12,750	\$ 12,750
Buildings and Improvements	637,469	592,303
Construction in Progress	23,313	-
Furniture and Equipment	226,999	226,999
Vehicles	36,525	31,525
	937,056	863,577
Accumulated Depreciation	(724,072)	(724,853)
Property and Equipment - Net	\$ 212,984	\$ 138,724

**NOTE 3 INVESTMENTS**

Investments are comprised of the following values at October 31:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Certificates of Deposit	\$ 160,000	\$ 161,075	\$ 200,000	\$ 202,845

**NOTE 4 NET ASSETS**

**Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of resources restricted for scholarships for individual registrations or agreed upon equipment purchases. Net assets released from restrictions were \$12,622 and \$7,571 for scholarships and equipment for the years ended October 31, 2011 and 2010, respectively.

**LEGIONVILLE SCHOOL SAFETY PATROL  
TRAINING CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011 AND 2010  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

**NOTE 4 NET ASSETS (CONTINUED)**

Temporarily restricted net assets consist of the following at October 31:

	2011	2010
Equipment Purchases	\$ 7,313	\$ 1,640
Scholarships	15,240	11,765
Temporarily Restricted Net Assets	\$ 22,553	\$ 13,405

**NOTE 5 LEASE REVENUE**

The Organization entered into an agreement with another organization to lease the rights to use property for a fixed fee annually. The agreement is in effect until November 2011 with extensions available for an additional 19 years. The agreement may be terminated with notice. Future minimum amounts are adjusted based on the CPI rate and are estimated under this agreement to be \$3,500 for the year ending October 31, 2012.

**NOTE 6 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. Retirement expense was \$0- and \$1,617 for the years ended October 31, 2011 and 2010, respectively.

**NOTE 7 OPERATING LEASES**

The Organization entered into leases during 2010 for portable school and office space. Future minimum lease payments for the year ending October 31, 2012 is \$4,430.

**NOTE 8 IMPAIRMENT OF EQUIPMENT**

During 2010, the Legionville Board of Directors approved a motion to have the barn torn down during fiscal year 2011. No proceeds from the disposal of the barn were received, therefore, the carrying value of the barn was adjusted to zero, resulting in an impairment of equipment of \$8,681 during the year ended October 31, 2010.