

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

FINANCIAL STATEMENTS

YEARS ENDED OCTOBER 31, 2009 AND 2008

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
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LarsonAllen[®] LLP

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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, 2009 and 2008, and the related statements of activities and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Legionville School Safety Patrol Training Center, Inc.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 generally accepted accounting principles.

LarsonAllen LLP
LarsonAllen LLP

Minneapolis, Minnesota
January 27, 2010



**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
BALANCE SHEETS
OCTOBER 31, 2009 AND 2008
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash	\$ 123,046	\$ 139,753
Accounts Receivable	1,021	-
Accrued Interest Receivable	3,043	1,562
Inventories	16,489	12,937
Total Current Assets	143,599	154,252
PROPERTY AND EQUIPMENT, NET	153,789	162,662
OTHER ASSETS		
Investments	200,236	85,167
Total Assets	\$ 497,624	\$ 402,081
LIABILITIES AND NET ASSETS		
NET ASSETS		
Unrestricted	\$ 477,648	\$ 393,940
Temporarily Restricted	19,976	8,141
Total Net Assets	497,624	402,081
Total Liabilities and Net Assets	\$ 497,624	\$ 402,081

See accompanying Notes to Financial Statements.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED OCTOBER 31, 2009 AND 2008
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2009		
	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Support:			
Contributions	\$ 45,290	\$ 23,739	\$ 69,029
Revenue:			
Registrations	174,780	-	174,780
Sales	28,591	-	28,591
Interest Income	7,466	-	7,466
Lease Revenue	3,614	-	3,614
Gain on Sale of Land	100,000	-	100,000
Unrealized Gain (Loss) on Investments	69	-	69
Miscellaneous	2,977	-	2,977
Subtotal Support and Revenue	<u>317,497</u>	<u>-</u>	<u>317,497</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>11,904</u>	<u>(11,904)</u>	<u>-</u>
Total Support and Revenue	374,691	11,835	386,526
EXPENSE			
Program Services:			
Salaries	90,941	-	90,941
Payroll Taxes	7,125	-	7,125
Employee Benefits	16,785	-	16,785
Cost of Goods Sold	23,436	-	23,436
Supplies	18,789	-	18,789
Telephone	4,770	-	4,770
Utilities	6,146	-	6,146
Insurance	23,147	-	23,147
Repairs and Maintenance	9,051	-	9,051
Travel and Meetings	7,714	-	7,714
Food	25,969	-	25,969
Miscellaneous	11,157	-	11,157
Depreciation	14,422	-	14,422
Total Program Services	<u>259,452</u>	<u>-</u>	<u>259,452</u>
Support Services - Management and General:			
Administrative Fee Paid to Department	-	-	-
Professional Fees	31,531	-	31,531
Total Support Services - Management and General	<u>31,531</u>	<u>-</u>	<u>31,531</u>
Total Expense	<u>290,983</u>	<u>-</u>	<u>290,983</u>
CHANGE IN NET ASSETS	83,708	11,835	95,543
Net Assets - Beginning of Year	<u>393,940</u>	<u>8,141</u>	<u>402,081</u>
NET ASSETS - END OF YEAR	<u><u>\$ 477,648</u></u>	<u><u>\$ 19,976</u></u>	<u><u>\$ 497,624</u></u>

See accompanying Notes to Financial Statements.

2008		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 55,332	\$ 5,000	\$ 60,332
170,560	-	170,560
36,483	-	36,483
4,180	-	4,180
3,614	-	3,614
-	-	-
(394)	-	(394)
2,290	-	2,290
<u>216,733</u>	<u>-</u>	<u>216,733</u>
8,165	(8,165)	-
<u>280,230</u>	<u>(3,165)</u>	<u>277,065</u>
91,933	-	91,933
6,807	-	6,807
16,261	-	16,261
28,020	-	28,020
19,093	-	19,093
3,775	-	3,775
6,205	-	6,205
27,281	-	27,281
10,867	-	10,867
8,480	-	8,480
27,371	-	27,371
9,092	-	9,092
17,426	-	17,426
<u>272,611</u>	<u>-</u>	<u>272,611</u>
22,000	-	22,000
4,177	-	4,177
<u>26,177</u>	<u>-</u>	<u>26,177</u>
<u>298,788</u>	<u>-</u>	<u>298,788</u>
(18,558)	(3,165)	(21,723)
<u>412,498</u>	<u>11,306</u>	<u>423,804</u>
<u>\$ 393,940</u>	<u>\$ 8,141</u>	<u>\$ 402,081</u>

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED OCTOBER 31, 2009 AND 2008
(SEE ACCOUNTANTS' REVIEW REPORT)**

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 95,543	\$ (21,723)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	14,422	17,426
Gain on Sale of Land	(100,000)	-
Unrealized (Gain) Loss on Investments	(69)	394
Increase in Receivables	(2,502)	(967)
Increase in Inventories	(3,552)	(583)
Net Cash Provided (Used) by Operating Activities	<u>3,842</u>	<u>(5,453)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(200,000)	(65,000)
Proceeds on Sale of Investments	85,000	129,999
Proceeds from Sale of Land	100,000	-
Purchases of Property and Equipment	(5,549)	(4,460)
Net Cash Provided (Used) by Investing Activities	<u>(20,549)</u>	<u>60,539</u>
NET INCREASE (DECREASE) IN CASH	(16,707)	55,086
Cash - Beginning of Year	<u>139,753</u>	<u>84,667</u>
CASH - END OF YEAR	<u><u>\$ 123,046</u></u>	<u><u>\$ 139,753</u></u>

See accompanying Notes to Financial Statements.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2009 AND 2008
(SEE 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, 2009 AND 2008
(SEE 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 2004-2008.

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, 2009 AND 2008
(SEE ACCOUNTANTS' REVIEW REPORT)**

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, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
INVESTMENTS				
Certificates of Deposit	\$ -	\$ 200,236	\$ -	\$ 200,236

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.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 27, 2010.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2009 AND 2008
(SEE ACCOUNTANTS' REVIEW REPORT)**

NOTE 2 PROPERTY AND EQUIPMENT

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

	<u>2009</u>	<u>2008</u>
Land	\$ 12,750	\$ 12,750
Buildings	325,664	324,439
Building Improvements	262,416	262,416
Furniture and Equipment	263,584	263,194
Vehicles	23,396	23,396
	<u>887,810</u>	<u>886,195</u>
Accumulated Depreciation	<u>(734,021)</u>	<u>(723,533)</u>
Property and Equipment - Net	<u>\$ 153,789</u>	<u>\$ 162,662</u>

NOTE 3 INVESTMENTS

Investments are comprised of the following values at October 31:

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Certificates of Deposit	<u>\$ 200,000</u>	<u>\$ 200,236</u>	<u>\$ 85,017</u>	<u>\$ 85,167</u>

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 \$11,904 and \$8,165 for scholarships and equipment for the years ended October 31, 2009 and 2008, respectively.

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

	<u>2009</u>	<u>2008</u>
Equipment Purchases	\$ 4,811	\$ 1,851
Scholarships	15,165	6,290
Temporarily Restricted Net Assets	<u>\$ 19,976</u>	<u>\$ 8,141</u>

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2009 AND 2008
(SEE ACCOUNTANTS' REVIEW REPORT)**

NOTE 5 LEASE REVENUE

The Organization entered into an agreement to lease the rights to use property for a fixed fee annually. The agreement is in effect until November 2010 with extensions available for an additional 20 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, 2010.

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 \$2,478 and \$2,339 for the years ended October 31, 2009 and 2008, respectively.

NOTE 7 ADMINISTRATIVE SERVICES

Legionville purchases the administrative and bookkeeping services of the American Legion Department of Minnesota employees. The two Organization's have some common board members. In 2009, the American Legion Department of Minnesota agreed to no longer charge a fee for services in 2009. The contract price was \$22,000 for the year ended October 31, 2008.

NOTE 8 SALE OF LAND

During 2009, the Legionville Board of Directors approved a sale of 1.5 acres of land for \$100,000, with related expenses of \$8,218. A second 4.5 acres lot of land is also available for sale with the potential proceeds use to rebuild the camp in a different location.