

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

FINANCIAL STATEMENTS

YEARS ENDED OCTOBER 31, 2010 AND 2009

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
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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, 2010 and 2009, 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
December 2, 2010

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
BALANCE SHEETS
OCTOBER 31, 2010 AND 2009
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash	\$ 104,360	\$ 123,046
Accounts Receivable	-	1,021
Accrued Interest Receivable	1,286	3,043
Inventories	8,237	16,489
Total Current Assets	113,883	143,599
PROPERTY AND EQUIPMENT, NET	138,724	153,789
OTHER ASSETS		
Investments	202,845	200,236
Total Assets	\$ 455,452	\$ 497,624
LIABILITIES AND NET ASSETS		
NET ASSETS		
Unrestricted	\$ 440,743	\$ 477,648
Temporarily Restricted	13,405	19,976
Total Net Assets	454,148	497,624
Total Liabilities and Net Assets	\$ 455,452	\$ 497,624

See accompanying Notes to Financial Statements.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED OCTOBER 31, 2010 AND 2009
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2010		
	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Support:			
Contributions	\$ 34,204	\$ 1,000	\$ 35,204
Revenue:			
Registrations	176,200	-	176,200
Sales	27,127	-	27,127
Interest Income	3,463	-	3,463
Lease Revenue	3,697	-	3,697
Gain on Sale of Land	-	-	-
Unrealized Gain on Investments	2,609	-	2,609
Miscellaneous	2,466	-	2,466
Subtotal Support and Revenue	<u>215,562</u>	<u>-</u>	<u>215,562</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>7,571</u>	<u>(7,571)</u>	<u>-</u>
Total Support and Revenue	257,337	(6,571)	250,766
EXPENSE			
Program Services:			
Salaries	81,999	-	81,999
Payroll Taxes	12,570	-	12,570
Employee Benefits	7,590	-	7,590
Cost of Goods Sold	23,976	-	23,976
Supplies	25,452	-	25,452
Telephone	5,174	-	5,174
Occupancy	9,750	-	9,750
Utilities	8,349	-	8,349
Insurance	24,084	-	24,084
Repairs and Maintenance	17,163	-	17,163
Travel and Meetings	12,331	-	12,331
Food	22,908	-	22,908
Miscellaneous	25,975	-	25,975
Depreciation	12,405	-	12,405
Total Program Services	<u>289,726</u>	<u>-</u>	<u>289,726</u>
Support Services - Management and General:			
Professional Fees	4,516	-	4,516
Total Support Services - Management and General	<u>4,516</u>	<u>-</u>	<u>4,516</u>
Total Expense	<u>294,242</u>	<u>-</u>	<u>294,242</u>
CHANGE IN NET ASSETS	(36,905)	(6,571)	(43,476)
Net Assets - Beginning of Year	<u>477,648</u>	<u>19,976</u>	<u>497,624</u>
NET ASSETS - END OF YEAR	<u>\$ 440,743</u>	<u>\$ 13,405</u>	<u>\$ 454,148</u>

See accompanying Notes to Financial Statements.

2009		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 45,290	\$ 23,739	\$ 69,029
174,780	-	174,780
28,591	-	28,591
7,466	-	7,466
3,614	-	3,614
100,000	-	100,000
69	-	69
2,977	-	2,977
<u>317,497</u>	<u>-</u>	<u>317,497</u>
11,904	(11,904)	-
<u>374,691</u>	<u>11,835</u>	<u>386,526</u>
90,941	-	90,941
7,125	-	7,125
16,785	-	16,785
23,436	-	23,436
18,789	-	18,789
4,770	-	4,770
-	-	-
6,146	-	6,146
23,147	-	23,147
9,051	-	9,051
7,714	-	7,714
25,969	-	25,969
11,157	-	11,157
14,422	-	14,422
<u>259,452</u>	<u>-</u>	<u>259,452</u>
<u>31,531</u>	<u>-</u>	<u>31,531</u>
<u>31,531</u>	<u>-</u>	<u>31,531</u>
<u>290,983</u>	<u>-</u>	<u>290,983</u>
83,708	11,835	95,543
<u>393,940</u>	<u>8,141</u>	<u>402,081</u>
<u>\$ 477,648</u>	<u>\$ 19,976</u>	<u>\$ 497,624</u>

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED OCTOBER 31, 2010 AND 2009
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (43,476)	\$ 95,543
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	12,405	14,422
Gain on Sale of Land	-	(100,000)
Impairment of Property and Equipment	8,681	-
Unrealized Gain on Investments	(2,609)	(69)
Increase (Decrease) in Receivables	2,778	(2,502)
Decrease in Inventories	8,252	(3,552)
Net Cash Provided (Used) by Operating Activities	(12,665)	3,842
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(150,000)	(200,000)
Proceeds on Sale of Investments	150,000	85,000
Proceeds from Sale of Land	-	100,000
Purchases of Property and Equipment	(6,021)	(5,549)
Net Cash Used by Investing Activities	(6,021)	(20,549)
NET DECREASE IN CASH	(18,686)	(16,707)
Cash - Beginning of Year	123,046	139,753
CASH - END OF YEAR	\$ 104,360	\$ 123,046

See accompanying Notes to Financial Statements.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2010 AND 2009
(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, 2010 AND 2009
(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 2006 through 2009.

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, 2010 AND 2009
(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:

	2010			
	Level 1	Level 2	Level 3	Total
INVESTMENTS				
Certificates of Deposit	\$ -	\$ 202,845	\$ -	\$ 202,845
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2009			
	Level 1	Level 2	Level 3	Total
INVESTMENTS				
Certificates of Deposit	\$ -	\$ 200,236	\$ -	\$ 200,236
	<u> </u>	<u> </u>	<u> </u>	<u> </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.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2010 AND 2009
(SEE ACCOUNTANTS' REVIEW REPORT)**

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 2, 2010, 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:

	2010	2009
Land	\$ 12,750	\$ 12,750
Buildings	325,664	325,664
Building Improvements	266,639	262,416
Furniture and Equipment	226,999	263,584
Vehicles	31,525	23,396
	<u>863,577</u>	<u>887,810</u>
Accumulated Depreciation	(724,853)	(734,021)
Property and Equipment - Net	<u>\$ 138,724</u>	<u>\$ 153,789</u>

NOTE 3 INVESTMENTS

Investments are comprised of the following values at October 31:

	2010		2009	
	Cost	Fair Value	Cost	Fair Value
Certificates of Deposit	<u>\$ 200,000</u>	<u>\$ 202,845</u>	<u>\$ 200,000</u>	<u>\$ 200,236</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 \$7,571 and \$11,904 for scholarships and equipment for the years ended October 31, 2010 and 2009, respectively.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2010 AND 2009
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NOTE 4 NET ASSETS (CONTINUED)

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

	2010	2009
Equipment Purchases	\$ 1,640	\$ 4,811
Scholarships	11,765	15,165
Temporarily Restricted Net Assets	\$ 13,405	\$ 19,976

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 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, 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 \$1,617 and \$2,478 for the years ended October 31, 2010 and 2009, respectively.

NOTE 7 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.

NOTE 8 OPERATING LEASES

The Organization entered into leases during 2010 for portable school and office space. Future minimum lease payments are as follows:

Year Ending October 31,	Amount
2011	\$ 10,320
2012	4,430
Total	\$ 14,750

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TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 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 is expected, 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.