

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

FINANCIAL STATEMENTS

YEARS ENDED OCTOBER 31, 2008 AND 2007

**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, 2008 and 2007, 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

Minneapolis, Minnesota
December 30, 2008



**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
BALANCE SHEETS
OCTOBER 31, 2008 AND 2007
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2008	2007
ASSETS		
CURRENT ASSETS		
Cash	\$ 139,753	\$ 84,667
Accrued Interest Receivable	1,562	595
Inventories	12,937	12,354
Total Current Assets	154,252	97,616
PROPERTY AND EQUIPMENT, NET	162,662	175,628
OTHER ASSETS		
Investments	85,167	150,560
Total Assets	\$ 402,081	\$ 423,804
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ -	\$ -
NET ASSETS		
Unrestricted	393,940	412,498
Temporarily Restricted	8,141	11,306
Total Net Assets	402,081	423,804
Total Liabilities and Net Assets	\$ 402,081	\$ 423,804

See accompanying Notes to Financial Statements.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED OCTOBER 31, 2008 AND 2007
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2008		
	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Support:			
Contributions	\$ 55,332	\$ 5,000	\$ 60,332
Revenue:			
Registrations	170,560	-	170,560
Sales	36,483	-	36,483
Interest Income	4,180	-	4,180
Lease Revenue	3,614	-	3,614
Unrealized Loss on Investments	(394)	-	(394)
Miscellaneous	2,290	-	2,290
Subtotal Support and Revenue	<u>216,733</u>	<u>-</u>	<u>216,733</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>8,165</u>	<u>(8,165)</u>	<u>-</u>
Total Support and Revenue	280,230	(3,165)	277,065
EXPENSE			
Program Services:			
Salaries	91,933	-	91,933
Payroll Taxes	6,807	-	6,807
Employee Benefits	16,261	-	16,261
Cost of Goods Sold	28,020	-	28,020
Supplies	19,093	-	19,093
Telephone	3,775	-	3,775
Utilities	6,205	-	6,205
Insurance	27,281	-	27,281
Repairs and Maintenance	10,867	-	10,867
Travel and Meetings	8,480	-	8,480
Food	27,371	-	27,371
Miscellaneous	9,092	-	9,092
Depreciation	17,426	-	17,426
Total Program Services	<u>272,611</u>	<u>-</u>	<u>272,611</u>
Support Services - Management and General:			
Administrative Fee	22,000	-	22,000
Professional Fees	4,177	-	4,177
Total Support Services - Management and General	<u>26,177</u>	<u>-</u>	<u>26,177</u>
Total Expense	<u>298,788</u>	<u>-</u>	<u>298,788</u>
CHANGE IN NET ASSETS	(18,558)	(3,165)	(21,723)
Net Assets - Beginning of Year	<u>412,498</u>	<u>11,306</u>	<u>423,804</u>
NET ASSETS - END OF YEAR	<u>\$ 393,940</u>	<u>\$ 8,141</u>	<u>\$ 402,081</u>

See accompanying Notes to Financial Statements.

2007		
Unrestricted	Temporarily Restricted	Total
\$ 83,698	\$ 8,518	\$ 92,216
165,760	-	165,760
40,913	-	40,913
4,830	-	4,830
3,476	-	3,476
630	-	630
9,914	-	9,914
<u>225,523</u>	<u>-</u>	<u>225,523</u>
5,635	(5,635)	-
<u>314,856</u>	<u>2,883</u>	<u>317,739</u>
91,226	-	91,226
6,729	-	6,729
15,040	-	15,040
31,103	-	31,103
10,897	-	10,897
3,798	-	3,798
5,552	-	5,552
20,755	-	20,755
11,105	-	11,105
7,945	-	7,945
34,041	-	34,041
6,498	-	6,498
19,383	-	19,383
<u>264,072</u>	<u>-</u>	<u>264,072</u>
22,000	-	22,000
4,276	-	4,276
<u>26,276</u>	<u>-</u>	<u>26,276</u>
<u>290,348</u>	<u>-</u>	<u>290,348</u>
24,508	2,883	27,391
<u>387,990</u>	<u>8,423</u>	<u>396,413</u>
<u>\$ 412,498</u>	<u>\$ 11,306</u>	<u>\$ 423,804</u>

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED OCTOBER 31, 2008 AND 2007
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (21,723)	\$ 27,391
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	17,426	19,383
Unrealized Loss on Investments	394	(630)
(Increase) Decrease in Receivables and Prepaid Expenses	(967)	2,731
(Increase) Decrease in Inventories	(583)	3,802
(Increase) in Accounts Payable	-	(3,222)
Net Cash Provided (Used) by Operating Activities	(5,453)	49,455
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(65,000)	(220,000)
Proceeds on Sale of Investments	129,999	114,999
Purchases of Property and Equipment	(4,460)	-
Net Cash Provided (Used) by Investing Activities	60,539	(105,001)
NET INCREASE (DECREASE) IN CASH	55,086	(55,546)
Cash - Beginning of Year	84,667	140,213
CASH - END OF YEAR	\$ 139,753	\$ 84,667

See accompanying Notes to Financial Statements.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2008 AND 2007
(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

The Organization follows the Statements of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made* and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under the provisions of these standards, 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, 2008 AND 2007
(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.

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
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NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2008 AND 2007
(SEE ACCOUNTANTS' REVIEW REPORT)**

NOTE 2 PROPERTY AND EQUIPMENT

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

	2008	2007
Land	\$ 12,750	\$ 12,750
Buildings	324,439	324,439
Building Improvements	262,416	262,416
Furniture and Equipment	263,194	258,734
Vehicles	23,396	23,396
	<u>886,195</u>	<u>881,735</u>
Accumulated Depreciation	(723,533)	(706,107)
Property and Equipment - Net	<u>\$ 162,662</u>	<u>\$ 175,628</u>

NOTE 3 INVESTMENTS

Investments are comprised of the following values at October 31:

	2008		2007	
	Cost	Market	Cost	Market
Certificates of Deposit	<u>\$ 85,017</u>	<u>\$ 85,167</u>	<u>\$ 150,017</u>	<u>\$ 150,560</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 \$8,165 and \$5,635 for scholarships and equipment for the years ended October 31, 2008 and 2007, respectively.

Temporarily restricted net assets remaining at October 31, 2008 and 2007, respectively, was as follows:

	2008	2007
Equipment Purchases	\$ 1,851	\$ 1,236
Scholarships	6,290	10,070
Temporarily Restricted Net Assets	<u>\$ 8,141</u>	<u>\$ 11,306</u>

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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 as follows for the years ending October 31:

Year Ending October 31,	Amount
2009	\$ 3,500
2010	3,500
Total	\$ 7,000

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 \$2,339 and \$2,186 for the years ended October 31, 2008 and 2007, 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. The contract price was \$22,000 for the years ended October 31, 2008 and 2007, respectively.

NOTE 8 SALE OF LAND

During 2008, the Legionville Board of Directors approved a motion to consider selling the land where the camp is currently located and rebuild the camp in a different location. The sale of the land is estimated to occur in 2009 and the rebuilding of the camp is estimated to begin in 2010.